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INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

HEARINGS BEFORE THE SELECT COMMITTEE ON IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD EIGHTY-FIFTH CONGRESS FIRST SESSION

PURSUANT TO SENATE RESOLUTION 74, 85TH CONGRESS

JUNE 6, 7, 18, 19, 20, JULY 16 AND 17, 1957

PART 8

Printed for the use of the Select Committee on Improper Activities in the
Labor or Management Field





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UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1957

SELECT COMMITTEE ON IMPROPER ACTIVITIES IN THE LABOR OF
MANAGEMENT FIELD

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*May be found in the files of the select committee.

**May be found in the printed record.

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

THURSDAY, JUNE 6, 1957

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES,
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee met at 10 a. m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Sam J. Ervin, Jr., Democrat, North Carolina; Senator Pat McNamara, Democrat, Michigan; Senator Barry Goldwater, Republican, Arizona; Senator Karl E. Mundt, Republican, South Dakota; Senator Carl T. Curtis, Republican, Nebraska.

Also present: Robert F. Kennedy, chief counsel; George M. Kopeccky, assistant counsel; James F. Mundie, investigator; Ruth Young Watt, chief clerk.

(Members present at the convening of the session: Senators McClellan, McNamara, and Goldwater.)

The CHAIRMAN. The committee will come to order.

The Chair wishes to make this brief opening statement. In the continuation of the work of the committee, the staff has conducted investigations into the operations and activities of certain officials of the Bakery and Confectionery Workers' International Union of America and its various local unions.

In the hearings beginning today, we expect to present evidence concerning three principal aspects of this union's operation which appear to merit public hearings.

They will touch upon:

1. The misuse of union funds. The officials involved will be given ample opportunity to explain some transactions which appear to be irregular.

2. The operation of certain local unions under trusteeship. This is a field which has given the committee grave concern. We have received a large number of complaints from dues-paying members about dictatorial and undemocratic practices which are claimed to exist in unions under receivership or trusteeship.

3. Certain relationships between management and labor officials which, if not satisfactorily explained, must lead to the inference of impropriety and collusion between these individuals to the apparent disservice of members of the union.

4. The extension of substantial favors by management to union officials calls for an explanation.

In some cases of collusion, the improper action is often not clearly defined. Whether it be extortion practiced by corrupt union officials or bribery practiced by corrupt management, or both, the result is the same. The working man or woman who is entitled to honest representation by their leaders becomes the ultimate loser.

This committee is determined to explore this problem and to ascertain insofar as we can what legislation may be needed, and should be enacted, to protect union members.

Mr. Counsel, call your first witness.

Mr. KENNEDY. Mr. Conforti.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God.

Mr. CONFORTI. I do.

TESTIMONY OF ANTHONY J. CONFORTI, ACCOMPANIED BY COUNSEL, SHERMAN CARMELL

The CHAIRMAN. State your name, and your place of residence and your business or occupation.

Mr. CONFORTI. Anthony J. Conforti, 7804 West Fulton Avenue, Elwood Park, Ill., and at the present time I am president of local union No. 1 of the bakery workers in Chicago.

The CHAIRMAN. Do you have counsel present to represent you?

Mr. CONFORTI. Yes, sir; in my capacity as president of the local union.

The CHAIRMAN. Will counsel please identify himself?

Mr. CARMELL. Sherman Carmell, 318 West Randolph Street, Chicago, Ill.

The CHAIRMAN. I am sure counsel is familiar with the rules of the committee.

Mr. CARMELL. Yes, sir.

The CHAIRMAN. Mr. Conforti, have you talked with members of the staff regarding the information you may have to give to the committee?

Mr. CONFORTI. Yes, I have.

The CHAIRMAN. Then you know generally the line of interrogation to expect?

Mr. CONFORTI. Yes, sir.

The CHAIRMAN. Thank you very much.

Mr. Counsel, you may proceed.

Mr. KENNEDY. Mr. Conforti, you are now president of local 1 in Chicago of the bakery union?

Mr. CONFORTI. Yes.

Mr. KENNEDY. How many members are there in that?

Mr. CONFORTI. Now, approximately 7,000 or 8,000.

Mr. KENNEDY. Between seven and eight thousand?

Mr. CONFORTI. Yes, sir.

Mr. KENNEDY. And what positions did you hold prior to the time you became president?

When did you become president, first?

Mr. CONFORTI. January 1 of this year; actually, in 1957.

Mr. KENNEDY. You were elected president, were you?

Mr. CONFORTI. Yes, sir.

Mr. KENNEDY. Did you have any opposition in the election?

Mr. CONFORTI. No, sir; I did not.

Mr. KENNEDY. Prior to that time, what positions did you hold?

Mr. CONFORTI. Well, prior to that time, I was appointed, you might say, or selected, by the groups of local unions that were merging to act as president.

Mr. KENNEDY. Now, there were two unions that merged, local 100 and local 300; is that right?

Mr. CONFORTI. No; there were about 7 or 8.

Mr. KENNEDY. That made up local 1?

Mr. CONFORTI. Yes, sir.

Mr. KENNEDY. How many unions merged to make up local 1?

Mr. CONFORTI. Seven or eight.

Mr. KENNEDY. Were local 100 and local 200, two of those unions?

Mr. CONFORTI. Yes, sir; they were part of the merger.

Mr. KENNEDY. When did that merger take place?

Mr. CONFORTI. It was in April of last year; 1956.

Mr. KENNEDY. April of 1956?

Mr. CONFORTI. Yes, sir.

Mr. KENNEDY. Had you been operating local 1 from April 1956 to January of 1957 when you were elected president?

Mr. CONFORTI. Excuse me.

(The witness conferred with his counsel.)

Mr. CONFORTI. Would you explain what you mean by "operating"?

Mr. KENNEDY. Were you in charge or were you managing the affairs? You tell me what your position was then.

Mr. CONFORTI. It was agreed that I would act as president until the election.

Mr. KENNEDY. So that is from April 1956 until January 1, 1957, when you were elected president?

Mr. CONFORTI. Yes, sir.

Mr. KENNEDY. Prior to that time, what positions did you hold?

Mr. CONFORTI. I was the business manager and secretary of the local 300.

Mr. KENNEDY. Now, for what period of time were you business manager of that?

Mr. CONFORTI. From about October 1953 or September of 1953 until the merger.

Mr. KENNEDY. Were you elected to that position?

Mr. CONFORTI. Yes, I was.

Mr. KENNEDY. And then did you hold any other position other than that in local 300?

Mr. CONFORTI. Well, as recording secretary, and I don't know what all else.

Mr. KENNEDY. In any other unions; did you have anything to do with any other unions?

Mr. CONFORTI. Well, I was a member of another local union, while I was working nights in a factory, several years ago.

Mr. KENNEDY. Was local 300 under trusteeship at one time?

Mr. CONFORTI. Yes, sir.

Mr. KENNEDY. When was that under trusteeship?

(The witness conferred with his counsel.)

Mr. CONFORTI. From September of 1948 until 1953, in September, about 5 years, to the date, almost.

Mr. KENNEDY. Who was the trustee?

Mr. CONFORTI. The first trustee—he was trustee only for a period of 2 or 3 months—was International Vice President Friedman. He was replaced, beginning January of 1949, by International Vice President George Stuart.

Mr. KENNEDY. And George Stuart was then trustee up until September of 1953?

Mr. CONFORTI. Yes, sir.

Mr. KENNEDY. Did George Stuart hold any other position other than trustee for local 300?

Mr. CONFORTI. Well, I am not quite sure, but he was also vice president for the sixth district where we were located, and he had the chairmanship of several divisions of the international union.

Mr. KENNEDY. He was a vice president of the bakers union, then?

Mr. CONFORTI. International vice president; yes, sir.

Mr. KENNEDY. Did he have anything to do with your union after September of 1953?

Mr. CONFORTI. Yes, sir.

Mr. KENNEDY. He continued on in some capacity?

Mr. CONFORTI. He was still vice president for our district. He was not officially—

Mr. KENNEDY. He was not officially connected with local 300?

Mr. CONFORTI. Not as a trustee.

Mr. KENNEDY. How long have you—

Mr. CONFORTI. Excuse me.

(The witness conferred with his counsel.)

Mr. CONFORTI. He continued to maintain an office in our office, of local 300, and he continued performing duties and working in his capacities as some of his other duties that he had to perform for the international union.

Mr. KENNEDY. But he was not officially connected with local 300, is that right?

Mr. CONFORTI. Well—

Mr. KENNEDY. Other than as a vice president of the international?

Mr. CONFORTI. Vice president of the district.

Mr. KENNEDY. And he would be a vice president of the international union in that district?

Mr. CONFORTI. Yes.

Mr. KENNEDY. How long have you been in the bakers union, Mr. Conforti?

Mr. CONFORTI. Only since I returned from the Army, in 1946. Prior to that time, there was no union. I had begun to work in a bakery in 1937, and I left in 1941.

Mr. KENNEDY. You went in the service at that time?

Mr. CONFORTI. Yes, sir.

Mr. KENNEDY. And you went in the Navy?

Mr. CONFORTI. In the Army.

Mr. KENNEDY. And you served during the war?

Mr. CONFORTI. Yes, sir. I returned in 1946.

Mr. KENNEDY. And then you came out and you went back to the bakers trade, is that right?

Mr. CONFORTI. I went back to my old job.

Mr. KENNEDY. How old are you now, Mr. Conforti?

Mr. CONFORTI. Thirty-seven.

Mr. KENNEDY. I wanted to ask you about some of the transactions. (At this point, Senator Mundt entered the hearing room.)

Senator GOLDWATER. Mr. Conforti, when were you elected president of the union?

Mr. CONFORTI. Officially elected in January of 1957.

Senator GOLDWATER. Were you the only candidate?

Mr. CONFORTI. Yes, I believe I was. There was no other nominees.

Senator GOLDWATER. There was no opposition?

Mr. CONFORTI. Not for the office of president.

Senator GOLDWATER. How are these elections conducted? Would you mind describing how the election was run by which you were elected president?

Mr. CONFORTI. The best I can recall, as far as the nominations were concerned, there were meetings held of each local that had participated in the merger of local unions, and each one of these local unions had the opportunity to nominate whoever they wished for president and secretary-treasurer, and in the balloting it was all by secret ballot vote.

Senator GOLDWATER. Was that in the local itself? It was by secret ballot?

Mr. CONFORTI. In the entire local, then, yes, sir, all of the balloting was by secret ballot.

Senator GOLDWATER. Were there nominations made in open meetings?

Mr. CONFORTI. Yes, sir.

Senator GOLDWATER. Then when the time came to vote on you, you being the only candidate, those votes were cast in secret?

Mr. CONFORTI. Well, no, I don't think that there was any ballot prepared, where there was no contest for an office, as I recall.

Senator GOLDWATER. Did each individual member of the union have an opportunity to vote for you?

Mr. CONFORTI. Yes, sir, and to make doubly sure by conducting the election, by putting booths right in the various shops which we have, and we have quite a few shops.

Senator GOLDWATER. Then, you do not use the delegate system in your union?

Mr. CONFORTI. I am not quite sure what you mean by that.

Senator GOLDWATER. Where a local will elect somebody to attend the meeting, and then that delegate cast the vote for the entire group.

Mr. CONFORTI. No, sir, each individual member casts their own ballot.

Senator GOLDWATER. How many ballots were cast, do you remember?

Mr. CONFORTI. Oh, God, I can't recall exactly, but they were by far the majority.

Senator GOLDWATER. Could you get that information for the committee, and find out how many ballots were cast in the election that caused you to be president?

Mr. CONFORTI. I think we still have them.

Senator GOLDWATER. It would be very valuable to us, as we study the existence or lack of existence of democratic processes, and that is what I am trying to get at in this questioning that I am directing at you. It is no criticism of you, nor necessarily of your union, unless they are deserving of criticism. We are going to ask these questions of every union official who comes before us, to find out where there are derelictions in the law that create an undemocratic process.

Mr. CONFORTI. Well, that is what we wanted to assure, at this particular time, and that is why we had the balloting right in the bake-shops where the people worked.

Senator GOLDWATER. Now, I have just one more question.

Getting back to your lack of any opposition to you, did you make any effort to see that there was no opposition to you?

Mr. CONFORTI. No, sir.

Senator GOLDWATER. Everybody was for you, and there was nobody else that they wanted to see run?

Mr. CONFORTI. Apparently. I made no attempt to discourage anybody.

Senator GOLDWATER. Was there any group of people in the union interested in your candidacy? Did they make any efforts towards intimidating the nomination of other candidates against you?

Mr. CONFORTI. No, sir. As a matter of fact any rumors that there were, that there was another candidate, I said I was glad to hear it. That is rather than trying to discourage it.

Senator GOLDWATER. How often are you elected?

Mr. CONFORTI. I was elected first in local 300 for 3 years, and then in the merged local union the term of office now is 5 years because 1 of the local unions did have 5-year terms and they were all made 5-year terms.

Senator McNAMARA. I just want to ask one question.

You indicate that you were appointed president of this organization prior to the election, before you took office in January. Who were you appointed by?

Mr. CONFORTI. By the merger committee, the committee of each one of the local unions.

Senator McNAMARA. There were how many local unions involved?

Mr. CONFORTI. Seven or eight local unions.

Senator McNAMARA. And each one of them appointed a committee to serve as a merging committee, or a merger committee?

Mr. CONFORTI. Yes, sir, that is right.

Senator McNAMARA. And they, in turn, held a meeting and appointed you as representative of all of these local unions, as president, is that right?

Mr. CONFORTI. The best I can recall it was that way, or else it was the executive board composed of representatives from the various local unions.

Senator McNAMARA. Then did the executive committee of each local committee serve as the merger committee?

Mr. CONFORTI. Each local union, it was left up to them, and they had the privilege of naming whoever they wished.

Senator McNAMARA. They did it any way they wanted, and in some cases they selected their executive board members, and in other cases they selected a special committee, is that the situation?

Mr. CONFORTI. Yes, Senator.

(The witness conferred with his counsel.)

Senator McNAMARA. To the best of your knowledge and belief, these people were elected by the rank and file for the purpose of forming this merger committee in one way or another, is that right?

Mr. CONFORTI. Yes, sir.

Senator McNAMARA. That is all I have.

The CHAIRMAN. Senator Mundt.

Senator MUNDT. This local No. 300 was under a trusteeship for awhile; was it not?

Mr. CONFORTI. Yes, sir; about 5 years.

Senator MUNDT. Which 5 years?

Mr. CONFORTI. Beginning in 1948 to around sometime in September, until 5 years later, in September of 1953.

Senator MUNDT. From 1948 to 1953?

Mr. CONFORTI. Yes, sir.

Senator MUNDT. Will you explain to the committee the circumstances by which it went under the trusteeship?

Mr. CONFORTI. Well, to the best of my ability, I have some notes here, I believe, that may be able to help.

Senator MUNDT. All right.

Mr. CONFORTI. I have these papers.

Senator MUNDT. Will you identify your own personal position in the union prior to the time that the trusteeship was formed? Were you a baker or were you an officer?

Mr. CONFORTI. I was a baker and also a board member of local 300.

Senator MUNDT. You were a baker and a board member of local 300 prior to 1948?

Mr. CONFORTI. No; in 1948.

Senator MUNDT. In 1948?

Mr. CONFORTI. Yes, sir.

Senator MUNDT. Now go ahead.

Mr. CONFORTI. These are mimeographed copies of the minutes of the board meeting, the executive board meetings, of August 24, 1948, and this is the way in which we received copies of the executive board minutes.

Senator MUNDT. All right.

Mr. CONFORTI. At this particular meeting I was absent. Along with another board member, there were two absent. But there was a disagreement at this meeting concerning the NLRB election, about the machinists, who were members of local 300, and there was an election where the machinists decided to become members of the machinists union. As I understand, there was quite a bit of disturbance at the meeting. So I guess there was also some discussion on the finances of the local union, whether all of the moneys were being received by the local or not.

Anyway, after that disturbance, then, as I understand, the international union was requested—

Senator MUNDT. Do your minutes reflect a motion asking the international to establish a trusteeship?

Mr. CONFORTI. I don't believe they do.

Senator MUNDT. How would you make a request without a motion by the board of directors? Who else is authorized to request the trusteeship?

Mr. CONFORTI. Excuse me.

(The witness conferred with his counsel.)

Mr. CONFORTI. Well, any member or group of members, I guess, are privileged to request international union or make a complaint to them about conditions in the local union.

Senator MUNDT. Let us get this clear. Is your constitution such that any baker in town who wants to have a trusteeship, all he has to do is pick up the phone and say "Please set one up," and they set one up? You said any group of bakers could do it. It seems to me there must be some official procedure by which you change from a self-operated union to a member of a union operated by trusteeship.

Mr. CONFORTI. Yes, sir. The members, if they have a complaint to make, any member or group of members, would register a complaint with the international union, and they would send out a representative, generally the international president, to investigate the cause of the complaint, and if it merits it, they generally hold a hearing and have members appear at the hearing to state their complaints and so on and so forth. Then the report of the hearing officer is made to the international president, I guess, and if they think it is necessary or advisable they then will appoint a special trustee.

If I may, I might refer to that.

Senator MUNDT. May I inquire for my own information, is your attorney also the attorney for the bakers union, because he seems to be familiar with the procedure and so forth.

Mr. CONFORTI. What do you mean by the bakers union? You mean the international union?

Senator MUNDT. The international union, or whatever part.

Mr. CONFORTI. He is attorney for the local union No. 1.

Senator MUNDT. He seems to know where the facts were, and I just wondered why he happened to know so much about it.

Mr. CONFORTI. What I was trying to explain in my own words on this trusteeship is that there was a request made, and I don't recall exactly who or how it was made.

Senator MUNDT. You do not know how many made it. You just know a request was made?

Mr. CONFORTI. No, sir; that is a good many years ago.

Senator MUNDT. Well, the request was made, and now go ahead.

Mr. CONFORTI. Also I have a copy of notes that were made or must have been made back in 1948, and it contains the information.

On September 7, 1948, the trusteeship was established over local 300 at a special meeting at international headquarters, Brother Schnitzler instructed the officers of the local to turn over all possessions pertaining to the local union, to Brother Harvey Friedman, special trustee.

Senator MUNDT. At that time, were you appointed assistant?

Mr. CONFORTI. No, sir; I was not.

Senator MUNDT. What was your status during the 5-year period of the trusteeship?

Mr. CONFORTI. As near as I recall, I was employed in December, I think, of 1948. When the trusteeship was established, all of the officers and board members and shop stewards ceased to function officially, and the trustee then appointed people to do the work in the office. I was appointed to do the work of the secretary in the office.

Senator MUNDT. You were appointed to serve as secretary?

(The witness conferred with his counsel.)

Mr. CONFORTI. I gave up my job at the National Biscuit Co. to take the job with the local union, full time.

Senator MUNDT. How did you get the full time job? You were appointed by the trustee?

Mr. CONFORTI. Yes, sir.

Senator MUNDT. To serve as secretary?

Mr. CONFORTI. Yes, sir; by Mr. Friedman at that time. I was called up.

Senator MUNDT. You served as secretary up until the time of the merger, when you became president; is that right? Is that the chronology?

Mr. CONFORTI. When I served, I was appointed. I served as an appointee until 1953 when the trusteeship was lifted, and I was elected then business manager and secretary; yes, sir.

Mr. KENNEDY. Now, during 1953 to 1956, you held what position in local 300? Was that business manager?

Mr. CONFORTI. Yes, sir.

(At this point Senator Goldwater withdrew from the hearing room.)

Mr. KENNEDY. While you held that position, did you have organizational drives?

Mr. CONFORTI. In 1953 to 1956, you mean?

Mr. KENNEDY. Did you have any organizational drives?

Mr. CONFORTI. Yes; there were.

Mr. KENNEDY. Specifically in 1955, did you appropriate some money from local 300 for an organizational drive?

Mr. CONFORTI. Yes; we did.

Mr. KENNEDY. Did you join together with local 100 and appropriate \$250 a week for a period of 21 weeks, for an organizational drive?

Mr. CONFORTI. It was \$250 a week; yes, sir.

Mr. KENNEDY. That would be \$500 a week from both locals, making a total during that period of time of \$10,500; is that right?

Mr. CONFORTI. Yes, sir.

Mr. KENNEDY. Now, could you tell the committee how that organizational drive began, and who suggested it and who recommended it?

Mr. CONFORTI. Well, maybe I ought to start further back. There had been many organizing attempts made at the Salerno Biscuit Co., of the city of Chicago, and all had failed, although local 300 as far as I know had not made the attempt. Local 100 had, I believe, and the other locals. I cannot recall.

Mr. KENNEDY. This was going to be an attempt to organize the Salerno Biscuit Co. in Chicago?

Mr. CONFORTI. Yes, because the other attempts had failed due to the fact as I heard, or I was told, that whenever the organizers would appear outside the plant, any plant, as far as that goes, the employers would grant an increase in wages to the employees and discourage organizing attempts, and cause them to fail and they never met any success.

So in this particular instance, I think at that time Mr. Stuart, the district organizer of the organization, thought it would be a feather

in his cap and also we would be doing ourselves a lot of good if we could organize this place because the biscuit companies that we do have organized object very much in the negotiations to granting any additional wage increases or benefits in working conditions because of the fact that there are unorganized plants in the city that are already paying much less in wages, or it costs them less in fringe benefits. Thereby they are able to sell their products cheaper.

There was too much competition from the unorganized plants. As a matter of fact, I think I read a statistic someplace where this one particular biscuit company had about 43 percent of the cookie business in the Chicago area.

Mr. KENNEDY. So it was decided that you would have an organizational drive for the Salerno Biscuit Co.; is that right?

Mr. CONFORTI. Yes, sir.

Mr. KENNEDY. And Mr. Stuart who had been appointed director of organization felt that it would be a feather in his cap if he could get the Salerno Biscuit Co. organized?

Mr. CONFORTI. That is part of it; yes.

Mr. KENNEDY. Then it was agreed to appropriate from each one of these local unions, local 100 and local 300, \$500 a week, or \$250 per union?

Mr. CONFORTI. Yes.

Mr. KENNEDY. Now, that money was taken. Who received the \$500 a week, Mr. Conforti?

Mr. CONFORTI. I received it.

Mr. KENNEDY. You took the money; is that right?

Mr. CONFORTI. No.

Mr. KENNEDY. The money was given to you?

Mr. CONFORTI. Through checks; yes.

Mr. KENNEDY. Now, what did you do with that money? Did you go out and do some organizational work?

Mr. CONFORTI. No, sir.

Mr. KENNEDY. What did you do with the money?

Mr. CONFORTI. I deposited it in an account, an organizing fund, the bakery and confectionery organizing fund.

Mr. KENNEDY. And the money remained in there. You received the \$500 a week and did you ever withdraw any money for organizational work then?

Mr. CONFORTI. I withdrew the money at the direction of Mr. Stuart.

Mr. KENNEDY. And did you both then go out and do some organizational work at the Salerno Biscuit Co.?

Mr. CONFORTI. I never did; no, sir.

Mr. KENNEDY. Do you know if he did?

Mr. CONFORTI. I only know what he told me.

Mr. KENNEDY. Do you know if he ever did any work at the Salerno Biscuit Co.?

Mr. CONFORTI. I couldn't say.

The CHAIRMAN. Did you say he told you? I didn't understand that.

Mr. CONFORTI. Yes, sir.

The CHAIRMAN. He told you what?

Mr. CONFORTI. That he was doing this work.

The CHAIRMAN. He told you he was doing work?

Mr. CONFORTI. Yes, sir, or having work done; yes, sir.

The CHAIRMAN. Which did he tell you?

Mr. CONFORTI. Well, both, the best I can recall.

The CHAIRMAN. He was doing it and having it done?

Mr. CONFORTI. He was the director of organization.

The CHAIRMAN. I understand, but you said you did no work.

Mr. CONFORTI. I did not.

The CHAIRMAN. And I think you were asked if you knew whether he did any or not. You said all you knew was he told you that he was working.

Mr. CONFORTI. Yes, sir.

The CHAIRMAN. All right. I just wanted to get it clear.

Mr. KENNEDY. So that the money was deposited in this bank account for this organizational bank account, and then withdrawn, and you gave the money to Mr. Stuart; is that right?

Mr. CONFORTI. Not all of the time, because sometimes he would not be in town to get the money.

Mr. KENNEDY. When Mr. Stuart was not in town, what would you do with the money then?

Mr. CONFORTI. Well, I would take it to the office and put it in the safe.

Mr. KENNEDY. Why would you bother, if Mr. Stuart was not in town to do the work? Why would you bother withdrawing the money?

Mr. CONFORTI. He was scheduled to be there, and he would tell me.

Mr. KENNEDY. Why did you not wait and leave it in the bank account and when he got back withdraw the money?

Mr. CONFORTI. He told me to have it there at the office.

Mr. KENNEDY. Why did he say it was necessary to withdraw the money, Mr. Conforti? Why did you not leave it in the bank account instead of taking it out of the bank account and putting it in your safe?

Mr. CONFORTI. He told me to take it out, I guess so it would look like there was activity.

Mr. KENNEDY. Did he tell you that was the reason he wanted you to take it out?

Mr. CONFORTI. Not that I recall.

Mr. KENNEDY. Did he give you any reason he wanted you to take it out periodically out of the special bank account?

Mr. CONFORTI. Well—excuse me—

(The witness conferred with his counsel.)

Mr. CONFORTI. He would tell me to make these withdrawals, and he was scheduled to be in town and he was to pay the organizing expenses.

The CHAIRMAN. He was your boss?

Mr. CONFORTI. Yes, sir.

Mr. KENNEDY. As an international vice president, he was your boss?

Mr. CONFORTI. Well, he was my boss.

Mr. KENNEDY. He did not have any position particularly in local 300, did he?

Mr. CONFORTI. No; he was trustee of local 100.

Senator MUNDT. This was after the trusteeship?

Mr. CONFORTI. Yes; local 300.

Senator MUNDT. The only reason he was your boss, he was a national official, is that right? He did not belong to your union.

Mr. CONFORTI. Yes, actually he is international vice president for our district.

Senator MUNDT. Because he was international vice president, you considered him your boss?

Mr. CONFORTI. Also the fact that he was the boss for 5 years while under trusteeship.

Senator MUNDT. While you were under trusteeship, he was your boss?

Mr. CONFORTI. He continued, after that also, and maintained his office there.

Senator MUNDT. In what respect was he your boss while you were under a trusteeship? Was he the trustee?

Mr. CONFORTI. Yes, sir.

Senator MUNDT. He was the trustee?

Mr. CONFORTI. Yes.

Senator MUNDT. And he was the man who had appointed you to become secretary?

Mr. CONFORTI. No, he was not. It was the first trustee, Mr. Friedman.

Senator MUNDT. Your attorney nodded his head and you shook your head. Do you want to go in the same direction?

Mr. CONFORTI. It was Mr. Friedman who was the first trustee for a matter of a couple of months.

Senator MUNDT. Then Mr. Stuart was made the trustee?

Mr. CONFORTI. Yes, sir.

Senator MUNDT. Then, Mr. Stuart appointed you or continued you as secretary, in that capacity he was your boss. Then when you got out of the trusteeship, he moved up to become international vice president and you became president of the consolidated union. Do I have that straight?

Mr. CONFORTI. He was always—not always, but he was vice president also while he was trustee.

Senator MUNDT. All right. He went back then to being just a vice president at that time?

Mr. CONFORTI. Yes, sir.

Senator MUNDT. And he lived in Chicago?

Mr. CONFORTI. Pardon me?

Senator MUNDT. He lived in Chicago?

Mr. CONFORTI. No, sir; I think that he lived in Kansas City.

Senator MUNDT. He lived in Kansas City?

Mr. CONFORTI. Yes, sir.

Senator MUNDT. But he was supposedly organizing the union in Chicago; Salerno?

Mr. CONFORTI. Yes; that was part of his district.

Senator MUNDT. I am curious to know how you got it in and out of the bank. You put it in the form of checks or cash, or both?

Mr. CONFORTI. It was put in the form of checks.

Senator MUNDT. How was it taken out; in the form of checks made out to Mr. Stuart?

Mr. CONFORTI. It was taken out in cash.

Senator MUNDT. Long green? Just folding money?

Mr. CONFORTI. All in cash.

Senator MUNDT. And never by check?

Mr. CONFORTI. No, sir.

Senator MUNDT. Would you not have a little better record if you had done it by check?

Mr. CONFORTI. Yes, sir; I guess so.

Senator MUNDT. If you are going to pay a man money who lives in Kansas City, is it not easier to pay the money from Chicago to the fellow in Kansas City by check than it is by currency?

Mr. CONFORTI. Well, the money was being used in the city of Chicago.

Senator MUNDT. Used by a man who lived in Kansas City.

Mr. CONFORTI. I just did what he told me to do.

Senator MUNDT. All right, he told you to pay it in cash, is that right?

Mr. CONFORTI. To take it out in cash?

Senator MUNDT. To take it out in cash.

Mr. CONFORTI. Yes, sir.

Senator MUNDT. And to pay him in cash?

Mr. CONFORTI. Yes, sir.

Senator MUNDT. And to pay him in person when he was there and when not there to take it to his office and put it in his safe?

Mr. CONFORTI. Well, our office.

Senator MUNDT. Whose office?

Mr. CONFORTI. Local 300 office.

Senator MUNDT. Local 300?

Mr. CONFORTI. Yes.

Senator MUNDT. He had the combination of the safe, and you had the combination of that safe, apparently.

Mr. CONFORTI. Well, I can't say he had the combination of the safe.

Senator MUNDT. What good would it do him to have the money in a safe he could not get into?

Mr. CONFORTI. Well, I would have to get it for him.

Senator MUNDT. If you had to get it for him, you could go down in the bank and get it and what is the use of switching it from the bank to your safe, if he could not get in the safe?

Mr. CONFORTI. Well he told me to take this money out, and periodically or weekly or whenever he would call on me to do it and I had it in our office.

He did not appear to get any of it for a little period of time there, where it accumulated.

Senator MUNDT. What amounts did he take it out in?

Give us some idea of how he got it, if you have a record there.

Mr. CONFORTI. The first check was deposited or the first check was for \$750, out of of which \$250 was given to him.

Senator MUNDT. That is to begin with.

Mr. CONFORTI. Yes.

Senator MUNDT. All right, go ahead.

Mr. CONFORTI. Then we deposited \$1,750 on September 8, and withdrew \$500. On September 15, \$500 withdrawn. On September 22, \$1,000 withdrawn. A total of \$2,000.

Then, on October 6, \$750. October 17, \$1,000. October 24, \$800.

Senator MUNDT. What I wanted to know now, Mr. Conforti, and the details will be brought out by counsel, I want to know how these amounts happened to vary. Did he call you up each time and say make it \$750 this week and \$500 this week, or how would you know how much you should take out? Would he write you a letter?

Mr. CONFORTI. He would call me and tell me he expected to be in town and to draw out so much money.

Senator MUNDT. He would specify how much he wanted each week when you delivered it?

Mr. CONFORTI. Yes, sir.

Senator MUNDT. All right.

The CHAIRMAN. Senator McNamara?

Senator McNAMARA. I would like to ask the witness a couple of questions. Vice President Stuart you say was your boss because he was the international vice president. Was he elected to his job?

Mr. CONFORTI. As international vice president? I really don't recall. He was elected in his most recent term; yes.

Senator McNAMARA. Are vice presidents generally elected or appointed by the president of the international?

Mr. CONFORTI. They are elected.

Senator McNAMARA. They are elected at the conventions according to your bylaws?

(The witness conferred with his counsel.)

Mr. CONFORTI. Yes; I think the last convention, they were elected at the convention.

Senator McNAMARA. And you are not sure?

Mr. CONFORTI. I am quite sure, I was at the convention.

Senator McNAMARA. You are familiar with your national bylaws, are you not, and you operate under them too, and do they not specify how the vice presidents come into existence, and whether they are appointed or elected?

Mr. CONFORTI. The bylaws were just changed in 1956.

Senator McNAMARA. You mean there was a change in the selection of vice presidents from being appointed to being elected?

Mr. CONFORTI. No, they were not appointed. They were elected by referendum in the old bylaws and at the last convention there was a change, where they were elected by the convention. That was in 1956.

Senator McNAMARA. Prior to that they were appointed in some other manner?

Mr. CONFORTI. They were elected by referendum.

Senator McNAMARA. You mean by mail referendum? Do you mean each member of the organization was sent a ballot, and they voted in that kind of a referendum or what?

Mr. CONFORTI. Each local was sent a ballot, according to the number of members they had.

Senator McNAMARA. And then the rank and file voted on the result and the result was sent into the international?

Mr. CONFORTI. That was the general idea.

Senator McNAMARA. And these ballots were sent out by the international to each local union and then a vote was taken at a rank-and-file meeting?

MR. CONFORTI. Yes, sir, but not in all local unions, because, for instance, local 300 was a factory-local setup, where the executive board was acting as though it was a full membership meeting.

SENATOR McNAMARA. The executive board having been elected by the rank and file rather than appointed?

MR. CONFORTI. Yes, sir.

SENATOR McNAMARA. Now, this organizing fund, you were paying Mr. Stewart out of the organizing fund for what you assumed to be an attempt to organize this plant?

MR. CONFORTI. Yes, sir.

SENATOR McNAMARA. And you paid him various amounts, varying from \$50 to \$1,000 at various times?

MR. CONFORTI. I don't think there was any \$50.

SENATOR McNAMARA. I thought you had one for \$50 and I did not hear you. What was the amount?

SENATOR MUNDT. It was \$250.

MR. CONFORTI. Yes; he was given \$250.

SENATOR McNAMARA. Now, did that amount to a certain payment for each week or each month or some specific time, or did it vary?

MR. CONFORTI. Well, the amounts as drawn varied, but I don't know exactly what they were applied for, or any specific weekly or monthly or what payment.

SENATOR McNAMARA. Did you issue or, in your accounting for the fund, did you have a voucher for each one of these withdrawals?

MR. CONFORTI. No, sir.

SENATOR McNAMARA. There was no accounting for it? You issued it without a voucher, any amount that he requested because this was a special fund?

MR. CONFORTI. From this fund; yes, sir.

SENATOR McNAMARA. But you were the secretary-treasurer.

MR. CONFORTI. Yes, sir.

SENATOR McNAMARA. And the money was put in the bank by you and, therefore, you were responsible for it, but it was subject to his demand, and your assumption was he was using it for attempting to organize the plant, and you did not inquire into what he was doing.

MR. CONFORTI. That is correct.

SENATOR MUNDT. Did you ever ask him what he did with it?

MR. CONFORTI. Well, I don't know.

SENATOR MUNDT. The Senator indicates whether you had some responsibility, and I wonder if you ever asked him what he was doing with the money.

MR. CONFORTI. No.

SENATOR MUNDT. Did you ever talk with him about what kind of organizational expenses he was involved in?

(The witness conferred with his counsel.)

MR. CONFORTI. This goes back to the start, sir. He told me it would be a quiet organizing attempt, and because of the fact that so many had failed when the employer had granted an increase of wages to discourage the employees from joining a union.

SENATOR MUNDT. Think about your answer to this question pretty carefully. Did he ever give you back any of this money to help with any of your expenses?

Mr. CONFORTI. No, sir.

Senator MUNDT. Not a dime?

Mr. CONFORTI. No, sir.

Senator MUNDT. You are positive?

Mr. CONFORTI. Yes, sir.

Mr. KENNEDY. Now, you were going through some of these figures, and you got \$500 a week from local 100 and local 300. You deposited this in the special bank account and then you withdrew it periodically, and you withdrew it periodically even though Stuart did not want the money. Now, you accumulated some in the safe. Did you continue to accumulate it in the safe or did you receive further instructions from Stuart?

Mr. CONFORTI. Well, as I recall, I asked him what to do with this, and I didn't want to keep it around in our local office, and he told me to open a savings account of my own and put this money in my own savings account.

Mr. KENNEDY. So, the money that was being appropriated, \$500 a week, by these 2 locals for an organizational drive, ultimately ended up in your own private bank account; is that right?

Mr. CONFORTI. Not all of it; no.

Mr. KENNEDY. How much of it?

Mr. CONFORTI. To begin with, it was about \$2,750.

Mr. KENNEDY. You put \$2,750 in your own bank account at that time?

Mr. CONFORTI. Yes, sir.

Mr. KENNEDY. And then did you have any of your own funds in there?

Mr. CONFORTI. Yes, sir; I had approximately \$1,500.

Mr. KENNEDY. So, you put \$2,750 of the union funds in your own bank account and \$1,500 of your own funds in your own bank account; is that right?

Mr. CONFORTI. Excuse me; it was \$1,750 of my own.

Mr. KENNEDY. So, it is about \$4,250 that you put in to start out?

Mr. CONFORTI. According to a note here, it is about \$4,500.

Mr. KENNEDY. About \$4,500?

Mr. CONFORTI. Yes, sir.

Mr. KENNEDY. Did you keep putting the organizational funds, or did you continue to deposit them, in your own personal account?

Mr. CONFORTI. Some of them, yes.

Mr. KENNEDY. How much did you deposit altogether, in your own personal bank account, of union funds? How much of union funds did you deposit in your own personal bank account?

Mr. CONFORTI. Excuse me.

(The witness conferred with his counsel.)

Senator MUNDT. Will you identify for the committee the gentlemen you are consulting with? Are they a part of your attorney staff, or are they members of the union? We would like to know.

Mr. CONFORTI. They are members of Mr. Carmell's employees.

Senator MUNDT. Are they associate attorneys of yours?

Mr. CARMELL. They are certified public accountants employed by me, sir.

Senator MUNDT. By you?

Mr. CARMELL. Yes, sir.

Senator MUNDT. As an attorney for the union?

Mr. CARMELL. At the present time, yes, sir.

Senator MUNDT. Just so we get the record straight, these are really then, employees of the union, employed by you as an attorney for the union?

Mr. CARMELL. No, sir; these are independent, certified public accountants, employed by me in my capacity as representing Mr. Conforti in his capacity as president of the local union. At the present time, the status of the payment is undetermined pending the outcome of this hearing.

Senator MUNDT. You do not know for sure whether you are paid by Mr. Conforti personally or by the union?

Mr. CARMELL. Depending on what the outcome of this hearing is and the executive board's decision at the local union.

Senator MUNDT. All right.

(At this point, Senator Curtis entered the hearing room.)

Mr. KENNEDY. Approximately how much of the union funds did you deposit in your own bank account, please?

(The witness conferred with his counsel.)

Mr. CONFORTI. About \$8,450.

Mr. KENNEDY. And the rest of the money, the rest of the \$10,500, which is about \$2,000 or \$2,100, that was given directly to Mr. George Stuart?

Mr. CONFORTI. According to our notes, it was \$1,550 that was given to Mr. Stuart. The rest was deposited.

Mr. KENNEDY. So that was about \$9,000 that was deposited?

Mr. CONFORTI. Roughly; yes.

Mr. KENNEDY. Approximately \$9,000?

Mr. CONFORTI. Approximately.

Mr. KENNEDY. And the rest you gave directly to Stuart.

Did you withdraw any of the money from your own personal bank account during this period of time?

Mr. CONFORTI. Yes, sir.

Mr. KENNEDY. What would you do with that money?

Mr. CONFORTI. I gave it to Mr. Stuart.

Mr. KENNEDY. You gave it to Mr. Stuart?

Mr. CONFORTI. That is right.

Mr. KENNEDY. What did Mr. Stuart do with it?

Mr. CONFORTI. I was told that it was used for the organizing expenses.

Mr. KENNEDY. Did it strike you that this was a rather strange way to handle union funds, to be putting them in your own private bank account?

(The witness conferred with his counsel.)

Mr. CONFORTI. Well, yes. That is why I put my own money—I used my own money to open the account.

Senator MUNDT. I am interested in this opening of the account. Did you open the account with union funds, or Mr. Stuart's funds, or union funds and your funds at the same time, or did you have your own account in being first and you added this to it?

Mr. CONFORTI. It was opened at the same time; yes, sir; with my funds.

Senator MUNDT. Where had your \$1,750 been? In the safe at that time?

Mr. CONFORTI. No, sir. That probably was in the safe deposit box that I had at the bank; my own.

Senator MUNDT. Would it not be a little better system instead of merging your own money in with Mr. Stuart's money or the union's money, whoever owned this other part of the money—I am not sure yet—would it not have been better if you wanted to have a separate savings account, to isolate that from your own funds entirely?

Mr. CONFORTI. Excuse me.

(The witness conferred with his counsel.)

Senator MUNDT. It seems to me you simply compound the confusion when you mix Stuart's money and your money into it, and then you say, "I will sweeten it up with \$1,750 of my own."

Mr. CONFORTI. No, sir. I didn't want a separate account because it was in my own name. I didn't want an account with my name only with organizing funds.

Senator MUNDT. That is what you wound up with, with the account in your name, did you not?

Mr. CONFORTI. Yes, sir, but I also initiated the account with funds of my own.

Senator MUNDT. You initiated it with everybody's funds all at once.

Mr. CONFORTI. Yes, with my money included.

Senator MUNDT. How do you make a bad situation any better by mixing your money in with it?

Mr. CONFORTI. Because the account was in my name. I didn't want it to appear that it was an account in my name with union funds.

Senator MUNDT. It was with union funds, except for \$1,750.

Mr. CONFORTI. Excuse me.

(The witness conferred with his counsel.)

Senator MUNDT. Do you want to take another shot at it now?

Mr. CONFORTI. I will try to explain again. I was told to put this money in a savings account, and to put my money in there with it. I am trying to explain the best I can, but maybe I don't use the right terminology.

Senator MUNDT. Talk with your attorney and try again.

(The witness conferred with his counsel.)

(At this point, Senator Ervin entered the hearing room.)

Mr. CONFORTI. I will try the best I can. By putting it in an account in my name, Mr. Stuart told me that it would appear then as though it were just my own funds.

Senator MUNDT. Did Stuart suggest that you sort of commingle your funds with the other funds? Is that what you are telling me now?

Mr. CONFORTI. If I can read from the minutes of the 1951 minute book of the local union:

Brother Stuart informed the board that \$10,000 had been placed in a savings account in the name of the local union. This was done so that there would not be so much redtape involved in withdrawing the money in time of need, such as strike, et cetera.

Senator MUNDT. Did it not ever occur to you when Stuart suggested that, that you would sort of get fraternal, like, with him, and say, "Well, Brother Stuart, if you want a separate savings account, we

will put it in your name, with your money, instead of my name”?

MR. CONFORTI. He was the boss. I did what I was told.

SENATOR MUNDT. That is right. But you could have made a suggestion.

MR. CONFORTI. You didn't make suggestions.

SENATOR MUNDT. He told you to do it that way, but the idea of commingling it with your money was your idea?

MR. CONFORTI. Yes, sir. I thought I was doing the right thing so far as I am concerned.

SENATOR MUNDT. You were such an old hand in the baking business, so used to mixing dough, that you just mixed it all up?

MR. CONFORTI. I am only a cookie baker and not a counsel or accountant, sir.

SENATOR MUNDT. You cooked up this idea, though?

MR. CONFORTI. No, sir, I didn't cook it up.

SENATOR MUNDT. All right.

THE CHAIRMAN. Gentlemen, let counsel proceed to get the facts now. Then we can get into some interrogation.

MR. KENNEDY. You withdrew the money periodically and you turned it over to Mr. Stuart?

MR. CONFORTI. Some of it, yes; sometimes.

MR. KENNEDY. How much did you withdraw and give to Mr. Stuart?

MR. CONFORTI. From which account?

MR. KENNEDY. From your own bank account.

MR. CONFORTI. \$5,200.

MR. KENNEDY. And the purpose of that was for the organizational drive at the Salerno Biscuit Co.?

MR. CONFORTI. Yes, sir.

MR. KENNEDY. Do you know of any work that Mr. Stuart did at the Salerno Biscuit Co.?

MR. CONFORTI. No, sir.

MR. KENNEDY. Did you ever hear of any work being done at the Salerno Biscuit Co. during that period of time?

MR. CONFORTI. None that I can recall.

MR. KENNEDY. Do you know of anybody else that was working, trying to organize the Salerno Biscuit Co. at that time?

MR. CONFORTI. Not at that time.

MR. KENNEDY. Mr. Chairman, we have an affidavit from Mr. Salerno of the Salerno Biscuit Co.

THE CHAIRMAN. I have one question.

This money that went into this fund that came from local 300 and—what is the other one?

MR. CONFORTI. 100.

THE CHAIRMAN. 100, that went into this fund, \$250 each week from each local, would that \$250 or the \$500 come out of union dues?

MR. CONFORTI. Yes, sir.

THE CHAIRMAN. In other words, there was \$250 a week from each of these locals turned over to you out of union dues, paid in by the members into those locals, for an organizing fund to organize this company, is that correct?

MR. CONFORTI. Yes, sir.

The CHAIRMAN. You took that money and placed it into a personal account with your own funds?

Mr. CONFORTI. No, not at first. That money was first——

The CHAIRMAN. No, you first deposited it in a special organizing account.

Mr. CONFORTI. Always.

The CHAIRMAN. Always. Then you took it out and placed it into your own personal accounts?

Mr. CONFORTI. Some of it.

The CHAIRMAN. Some of it? Most of it?

Mr. CONFORTI. Well, most of it.

The CHAIRMAN. Proceed, Counsel.

Mr. KENNEDY. In that connection——

Senator MUNDT. None of the money went direct into your savings account without first going through the bank account, is that right?

Mr. CONFORTI. To the organizing fund.

Senator MUNDT. None of it ever went directly into your savings account without first being routed through the other account?

Mr. CONFORTI. Yes, sir.

Mr. KENNEDY. \$5,200 was withdrawn from your own bank account and turned over to Mr. Stuart, is that right?

Mr. CONFORTI. Yes, sir.

Mr. KENNEDY. And how much did you give him directly?

Mr. CONFORTI. \$1,550.

Mr. KENNEDY. So that is \$6,700 that was given to Mr. Stuart for this organizational drive?

Mr. CONFORTI. \$6,750.

Mr. KENNEDY. And then there was \$250 initially, was there not?

Mr. CONFORTI. I believe that is included in that figure.

Mr. KENNEDY. So how much money did Mr. Stuart get in this organizational drive altogether?

Mr. CONFORTI. \$6,750.

Mr. KENNEDY. What happened to the rest of the money?

Mr. CONFORTI. The rest of the money is in the vault of the local union.

Mr. KENNEDY. When was that put back in the vault of the local union?

Mr. CONFORTI. It was either the end of March or maybe the first of April.

Mr. KENNEDY. Since this investigation began?

Mr. CONFORTI. I don't believe that the investigation had begun.

Mr. KENNEDY. In February?

Mr. CONFORTI. Was the investigation begun in February?

Mr. KENNEDY. Yes.

Mr. CONFORTI. Then it would be after February, yes.

Mr. KENNEDY. You took it out of your own bank account and put it in the vault of the union?

Mr. CONFORTI. Yes, sir.

Mr. KENNEDY. Why did you not just leave it in your own bank account?

(The witness conferred with his counsel.)

Mr. CONFORTI. Well, I didn't know what he might want to get his hands on some money.

(The witness conferred with his counsel.)

Mr. CONFORTI. I was at a meeting in Miami of regional bargaining conferences, and while I was there I heard that Mr. Stuart was resigning and that he was turning back an automobile and moneys, and so forth. When I got back to Chicago, I took the money out of the account. I didn't know if he might want money or ask me for money, be desperate for money, I don't know. I was afraid and I took it out and put it in the vault at the local union office.

Mr. KENNEDY. During this period of time when you had your own bank account, with this money in it, did you use any of the money out of that bank account for your own personal uses or needs?

Mr. CONFORTI. Not that I can recall, no, sir. To the best of my knowledge I didn't.

Mr. KENNEDY. Didn't you withdraw \$5,000 at one time?

Mr. CONFORTI. I think I did, but I think the balance——

Mr. KENNEDY. Didn't you withdraw \$5,000 to loan to a friend?

Mr. CONFORTI. Yes, sir, but I think the \$5,000 was my own money.

Mr. KENNEDY. How could you tell which was your own money and what was the union's money?

Mr. CONFORTI. Well, the best that I can recall is just by the deposits or withdrawals, moneys that I had given him, and what had been started with and so on.

Mr. KENNEDY. So you could never tell exactly how much money was to be returned to the union? You didn't keep any books, yourself, of how much was your money and how much was the union's money?

Mr. CONFORTI. No, just the passbook.

Mr. KENNEDY. What you did was try to identify when there was a deposit made, whether that was your deposit or whether it was a deposit by the union, is that right, of union money?

Mr. CONFORTI. Most of them matched up in the bank records, and also I think the final deposit or withdrawal—deposit—was in January, January 3 of 1956, I believe, so that after January 3, any moneys that were deposited were my own.

Mr. KENNEDY. Did Mr. Stuart ever make a report to either local union as to how he was progressing with his organizational drive?

(At this point, Senator McClellan withdrew from the hearing room.)

Mr. CONFORTI. I can't recall his reports to local unions, but I assume that reports are made in his capacity as trustee for 100, to the international union.

Mr. KENNEDY. But he never made any reports to either local union that had put up the money?

Mr. CONFORTI. I don't recall if any was mentioned or not.

Mr. KENNEDY. Mr. Chairman, we have, as I stated, this affidavit from the Salerno Biscuit Co. I would like to read it into the record.

Senator McNAMARA. Is there objection on the part of the committee to the placing of this affidavit into the record?

Hearing none, proceed.

Mr. KENNEDY. The affidavit reads as follows:

STATE OF ILLINOIS,

County of Cook, ss:

I, George F. Salerno, being duly sworn, deposes and says: I make this sworn deposition of my own free will without promise of favor or immunity.

This is to state that I am the president of Salerno-Megowen Biscuit Co., located at 4500 West Division Street, Chicago, Ill.

This affidavit is made up at the request of George M. Kopecky, known to me to be an investigator of the United States Senate Select Committee on Improper Activities in the Labor or Management Field, and I am aware that this sworn deposition may be used at the hearing before the United States Senate Select Committee on Improper Activities in the Labor or Management Field.

During the latter part of the year 1955—or from approximately August 1955 through December 1955—no information was brought to my attention to the effect that the Bakery and Confectionery Workers International Union was attempting to unionize any of the workers at the Salerno-Megowen Biscuit Co.

I further state that if a concentrated effort was made by this union over a continuing period from about August 1955 to about December 1955, that such activity would have been brought to my attention through various personnel and officials at the Salerno-Megowen Biscuit Co.

This is to further state that to my knowledge, no efforts were taken by the Bakery and Confectionery Workers International Union of America during the latter part of the year 1955 to unionize the Salerno-Megowen Biscuit plant either from within the plant by paying workers presently employed, or from outside the plant by having pickets or other individuals distribute literature, or in any way contact the workers.

(Signed) GEORGE F. SALERNO,
President, Salerno-Megowen Biscuit Co., Chicago, Ill.

Subscribed and sworn to before me this 31st day of May 1957.

(Signed) HUBERT CRANE, *Notary Public.*

Mr. Chairman, we also have the reports of Mr. Stuart during this period 1955 that he made to the international union, and there is no mention in any of these reports during the pertinent period of time of any organizational drive for the Salerno Biscuit Co.

We have somebody who could identify them and have them make an exhibit for reference.

Mr. Kopecky could identify them.

(At this point, Senator McClellan entered the hearing room.)

Senator McNAMARA. Will you be sworn—here is the chairman. We will let him do it.

The CHAIRMAN. Thank you very much.

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. KOPECKY. I do.

TESTIMONY OF GEORGE M. KOPECKY

Mr. KENNEDY. Mr. Chairman, I wanted to identify the reports from the National Bakery and Confectionery Workers.

The CHAIRMAN. Let the witness state his name and his occupation first.

Mr. KOPECKY. My name is George M. Kopecky, investigator with the Select Committee on Improper Activities in the Labor or Management Field.

The CHAIRMAN. Proceed.

Mr. KOPECKY. These are photostats of reports furnished by the international trustee, George Stuart, to the international union. These were furnished by the international union and cover the period that Mr. Stuart was trustee of local 100 in Chicago. There is no information in these reports to indicate that there was an organizing campaign in Chicago or in the Salerno Biscuit Co.

The CHAIRMAN. These reports may be made exhibit No. 1 for reference. I will make them for reference only at this time. Later, if it is indicated that any of them should be printed in the record, that will be ordered.

The documents referred to were marked "Exhibit No. 1" for reference and may be found in the files of the select committee.

TESTIMONY OF ANTHONY J. CONFORTI, ACCOMPANIED BY HIS COUNSEL, SHERMAN CARMELL—Resumed

Mr. CARMELL. Mr. Chairman, I would like to request the Chair at this time to allow Mr. Conforti to read a letter which he wrote to Mr. Stuart on January 3, 1957.

The CHAIRMAN. The letter will be presented to the chairman and the committee for inspection.

Mr. CARMELL. Mr. Chairman, this is a copy of the letter.

The CHAIRMAN. All right.

Senator MUNDT. While the Chair is reading that, Mr. Conforti, I am a little bit curious to know how you operated this joint banking account. You must have had some kind of record kept someplace, for yourself, at least, to know how much money allegedly belonged to Mr. Stuart and how much was yours. What kind of books, what kind of records, what kind of notations did you keep?

Mr. CONFORTI. Just the passbooks from the bank.

Senator MUNDT. Do you have the passbooks with you?

Mr. CONFORTI. No, sir. We just have a record of the passbooks.

Senator MUNDT. What kind of notation did you make in the passbook to identify whose money was being deposited?

(The witness conferred with his counsel.)

Mr. CONFORTI. The books themselves showed any withdrawals that were deposited in my account, and those that were not deposited were given to them in cash.

Senator MUNDT. Say that again.

Mr. CONFORTI. The passbooks show the withdrawals made from the special account that would be deposited in my own account, and the withdrawals in the special account that were not listed in my account were given to him in cash.

Senator MUNDT. How large did this account grow at its top figure, this joint deposit account?

Mr. CONFORTI. Offhand, I can't tell.

(The witness conferred with his counsel.)

Senator MUNDT. Let your attorney put those accountants back to work.

(The witness conferred with his counsel.)

Mr. CARMELL. Sir, are you asking what the top figure is up until the time when the special account was closed out?

Senator MUNDT. And the money taken to the vault?

Mr. CARMELL. Yes.

Senator MUNDT. Yes.

Mr. CONFORTI. The top figure when I closed my own savings account was \$8,200, or thereabouts.

Senator MUNDT. \$8,200?

Mr. CONFORTI. Yes.

Senator MUNDT. Out of that \$8,200, how much belonged to you and how much belonged to the union?

Mr. CONFORTI. \$3,750 belonged to the union organizing fund.

Senator MUNDT. And the difference between that belonged to you?

Mr. CONFORTI. Yes, sir.

Senator MUNDT. So \$4,500 belonged to you, and \$3,750 belonged to the union?

Mr. CONFORTI. That is about right.

Senator MUNDT. That was the largest amount that the account had ever attained, was it?

Mr. CONFORTI. I believe so. I am not positive. I don't think it was any higher than that.

Senator MUNDT. That was my question, and that was the answer I got.

(The witness conferred with his counsel.)

Mr. CONFORTI. Our notes show that the account reached \$8,600 in September, September 14, 1956.

Senator MUNDT. At this time, did the account reflect that the \$5,000 note had been repaid to the account, or was it \$8,200, plus \$5,000 in the note?

(The witness conferred with his counsel.)

Mr. CONFORTI. I don't remember now. Do you mean I had \$8,600 plus paying back \$5,000?

Senator MUNDT. You answered counsel as to a question, and he asked you whether you had loaned \$5,000 to a friend from this account. You said yes, you had, and, if I understood your answer correctly, you said it was loaned from your personal funds rather than union funds. Am I right about that?

Mr. CONFORTI. Yes.

Senator MUNDT. I want to know whether this \$8,200 or \$8,600, whichever it is, reflects that the \$5,000 had been repaid by that time, or should it be supplemented by \$5,000 which was out on a note?

Mr. CONFORTI. The \$5,000 was paid after the balance had reached \$8,600. So it reduced then to \$3,600.

Senator MUNDT. Not if you had \$8,600 in the bank, which is what you said you had in the bank.

Mr. CONFORTI. No, what happened was that I had borrowed the money from the bank without taking any money out of the bank. I don't think I had that much at the time the loan was made.

Senator MUNDT. You borrowed the money from the bank?

Mr. CONFORTI. And then I repaid it from that account with my own money, repaid to the bank.

Senator MUNDT. In other words, the money that you loaned to your friend never came out of this account at all?

Mr. CONFORTI. Well, actually, no. I borrowed the money from the bank.

Senator MUNDT. You borrowed the money from the bank?

Mr. CONFORTI. Yes, sir.

Senator MUNDT. And you loaned it to a friend?

Mr. CONFORTI. Yes, sir.

Senator MUNDT. So it does not show up in this account at all?

Mr. CONFORTI. It shows where the bank was repaid the \$5,000.

Senator MUNDT. It shows where the bank was repaid?

Mr. CONFORTI. That was a \$5,000 withdrawal in my own account.

Senator MUNDT. According to my figures, you never quite had \$5,000 of your own money there. You had \$4,500 at one time, of your own money there. You come out at \$8,200, which you said \$3,750 belonged to the union, and that would leave \$4,500 for you. I don't see how you can pay a \$5,000 note with \$4,500.

Mr. CONFORTI. After January 3, 1956, any deposits made were my own deposits. There were no more moneys deposited after January 3, 1956, from the organizing fund.

Senator MUNDT. Yes, but I asked the greatest stature that the account ever attained, the biggest amount you ever had in there, and you said it was \$8,200.

Mr. CONFORTI. No, \$8,600.

Senator MUNDT. All right, \$8,600. At that time, \$3,750 belonged to the union?

Mr. CONFORTI. Yes, sir.

Senator MUNDT. Is that the amount which you finally took over and put in the vault, \$3,750?

Mr. CONFORTI. No. I took \$3,550. I had figured myself that was the amount remaining in the fund which belonged in this organizing fund.

Senator MUNDT. What happened to the other \$200?

Mr. CONFORTI. Well, since that time I have been advised that it should have been \$3,750.

Senator MUNDT. Actually, you owe the vault \$200 from your own funds?

Mr. CONFORTI. Yes, sir.

Senator MUNDT. All right.

The CHAIRMAN. All right, Mr. Counsel, proceed.

Mr. KENNEDY. Did you ever use any of this money for your own personal benefit other than the loaning of the \$5,000?

Mr. CONFORTI. No, sir.

Mr. KENNEDY. I want to ask you—

Mr. CONFORTI. Excuse me a moment.

(The witness conferred with his counsel.)

Mr. CONFORTI. Are you asking about the \$5,000?

Mr. KENNEDY. Other than the \$5,000.

Mr. CONFORTI. Other than the \$5,000?

Mr. KENNEDY. Yes. We have had a discussion and explanation of the \$5,000.

Mr. CONFORTI. The \$5,000 didn't come out of the union funds, and I didn't use any of the union funds for my own.

Senator McNAMARA. Mr. Chairman, while we are talking about this \$5,000, I have a question.

You indicate that you show a \$5,000 transfer to pay the note off at the bank. It must have cost more than \$5,000. The bank had a charge of some sort. Who paid that?

Mr. CONFORTI. Well, I must have paid the charge from my own pocket. There was no moneys taken out of the account to pay the charge.

Senator McNAMARA. Then your figure shows exactly \$5,000, but the difference that was paid would be how much?

Mr. CONFORTI. I don't know if it was \$30 or \$40 that I may have paid myself.

Senator McNAMARA. That apparently was paid out of your own funds?

Mr. CONFORTI. Yes, sir.

Senator McNAMARA. And not taken out of the account at the same time?

Mr. CONFORTI. Yes, sir.

Senator McNAMARA. Apparently it was cash out of your pocket or something like that?

Mr. CONFORTI. Yes, sir, the best I can recall.

The CHAIRMAN. All right. Mr. Counsel.

Mr. KENNEDY. Mr. Chairman, this is the account for the special organizational drive.

The CHAIRMAN. The Chair presents to you a photostatic copy of what purports to be the bank account of B & C Organizing Fund, bearing your signature, Anthony J. Conforti.

Mr. KENNEDY. Maybe he could identify them all at once. They have all to do with this transaction.

The CHAIRMAN. I hand that to you and ask you to identify it.

(A document was handed to the witness.)

The CHAIRMAN. I also pass to you the original signature card opening the account, which shows the account was closed on January 3, 1955, together with a series of photostatic—

Mr. CARMELL. Mr. Chairman, I think that would be January 3, 1956.

The CHAIRMAN. This shows account closed January 3, 1955. All I know is what this shows on it here. It shows that it was opened on 8-26-55. Therefore, one of them is bound to be in error, I think. I will accept your correction, sir, that it was closed January 3, 1956.

I will ask the witness to identify the opening account certificate, together with the series of checks attached to it that shows what action was taken in the process of the account until it was closed.

(Documents were handed to the witness.)

(The witness conferred with his counsel.)

The CHAIRMAN. Do you identify the photostatic copy of the account?

Mr. CONFORTI. Yes, sir.

The CHAIRMAN. That will be made exhibit No. 2.

(The document referred to marked "Exhibit No. 2" for reference and will be found in the appendix on pp. 3121, 3122.)

The CHAIRMAN. Do you identify the signature card in opening the account?

Mr. CONFORTI. Yes, sir.

The CHAIRMAN. Together with the series of checks on the fund that were drawn on it during the life of the account?

Mr. CONFORTI. Yes, sir.

The CHAIRMAN. Those will be made exhibit No. 3.

(The documents referred to marked "Exhibit No. 3" for reference and will be found in the appendix on pp. 3123-3128.)

The CHAIRMAN. What are these, Mr. Counsel?

Mr. KENNEDY. These are the checks from the two local unions, local 300 and local 100, making a total of \$10,500.

The CHAIRMAN. I hand you here a series of checks from local 100 and also a series of checks from local 300, a series of checks which purport to be the original checks drawn by locals 100 and 300 as contributions to this B & C Organizing Fund which you received. I ask you to examine those and state if you identify those checks as being the originals which you received from each union.

(Documents were handed to the witness.)

(The witness conferred with his counsel.)

Mr. CONFORTI. I do identify these from local 300.

The CHAIRMAN. They will be made exhibit No. 4.

(The documents referred to marked "Exhibit No. 4" for reference and may be found in the files of the select committee.)

Mr. CONFORTI. And the checks from local 100, yes, although I would not necessarily see these vouchers.

The CHAIRMAN. I understand. The checks and the vouchers will be made exhibit 4A.

(The documents referred to marked "Exhibit No. 4A" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. The checks from local 300 were signed by you, is that right?

Mr. CONFORTI. Yes, sir.

Mr. KENNEDY. And the checks from local 100 were signed by George Stuart? Just look at them.

The CHAIRMAN. We will not have these exhibits printed in the record as they are very voluminous. They will just be made exhibits for reference.

Mr. CONFORTI. I think most of them were signed by Mr. Stuart as trustee, but then towards the end of 1955, he appointed myself and Mr. Carbonara, who was appointed secretary of 100, to sign the vouchers for disbursements from local 100 under his direction, to sign the checks.

Mr. KENNEDY. Mr. Conforti, you didn't receive any of this money for your own personal use?

Mr. CONFORTI. No, sir.

Mr. KENNEDY. Did you receive or take any of the moneys from the local for your own personal use?

Mr. CONFORTI. No, sir.

Mr. KENNEDY. I would like to have you identify this check.

The CHAIRMAN. The Chair presents to you a photostatic copy of a check dated December 14, 1953, in the amount of \$555.98, drawn on the American National Bank & Trust Co., of Chicago, made payable to A. Conforti, and signed by Anthony J. Conforti.

Will you examine the check, the photostatic copy, and see if you identify it, please?

(Document handed to the witness.)

(The witness conferred with his counsel.)

Mr. CONFORTI. Yes, sir.

The CHAIRMAN. Who is A. Conforti?

Mr. CONFORTI. I am.

The CHAIRMAN. Who is Anthony J. Conforti? That is you?

Mr. CONFORTI. Yes, sir.

The CHAIRMAN. So you issued that check to yourself?

Mr. CONFORTI. Yes, sir.

The CHAIRMAN. That check may be made exhibit No. 5 and may be printed in the record.

(The document referred to was marked "Exhibit No. 5" for reference and will be found in the appendix on pp. 3129, 3130.)

Mr. CARMELL. Mr. Chairman, may we hold this for a moment?

The CHAIRMAN. Yes.

Mr. CARMELL. We would like at this time to show to the Chair a check for identification in connection with this check that has been shown for \$555 payable to Anthony Conforti.

The CHAIRMAN. Pass up the exhibit and also the check that counsel presents.

(Documents were handed to the committee.)

The CHAIRMAN. You have presented a check here for \$618.83, drawn by you as secretary-treasurer of local No. 300, payable to Chicago, Rock Island & Pacific Railroad Co., dated November 17, 1953.

Mr. CARMELL. Would the Chair be kind enough to read on the back as to the endorsement as to the place where it was used?

The CHAIRMAN. It says:

Pay to the order of City National Bank & Trust Co., of Kansas City. Previous endorsement guaranteed—

and so forth.

Mr. CARMELL. Yes, sir. We wanted it placed in the record, if the Chair pleases.

The CHAIRMAN. The Chair will wait for some explanation on it before placing it in the record.

Mr. KENNEDY. Going back to the check for \$555.98 on December 14, 1953, the voucher reads:

For disbursement. Railroad expenses, Portland.

Did you go to Portland?

Mr. CONFORTI. No, sir; not that particular time. I was only in Portland once, at another time.

Mr. KENNEDY. In the summertime?

Mr. CONFORTI. It was another time.

Mr. KENNEDY. When was it? When were you in Portland?

Mr. CONFORTI. When I left for overseas during the war, or after the war. It was during the war.

Mr. KENNEDY. Could you explain to the committee why a check for \$555.98 was drawn to you from local 300 for railroad expense for a Portland trip if you did not go to Portland?

Mr. CONFORTI. I don't recall that at all. The only reason that I requested you to look at the other check was that was approximately the same time, maybe a week or two difference in the dates, and that check was used by Mr. Stuart to take other union officials or an official, to the Tournament of Roses, I believe, where the bakery and confectionery workers has a float in the parade.

It may have been used for that reason, also. I have no other explanation.

The CHAIRMAN. Do you say this voucher upon which the check was issued is true or false? On this check, the voucher shows that it is issued for——

Mr. KENNEDY. Mr. Carmell, he can tell the answer himself.

The CHAIRMAN. This says:

In payment for railroad expenses to Portland.

I cannot make out the word following "Portland." Can you make out what it is? You paid it and I suppose you know.

(The document was handed to the witness.)

(The witness conferred with his counsel.)

The CHAIRMAN. What is that, "Portland" what?

Mr. CONFORTI. The Portland meeting. It is an abbreviation for meeting.

The CHAIRMAN. Did you attend that meeting?

Mr. CONFORTI. No, sir.

The CHAIRMAN. Was there any such meeting?

Mr. CONFORTI. None that I can recall; no, sir.

The CHAIRMAN. Then you paid that voucher notwithstanding there was no such meeting and you did not go to Portland?

Mr. CONFORTI. Yes, sir.

Senator MUNDT. Who made out the voucher for this trip to Portland? Did you make it out or was that made out by someone else?

Mr. CONFORTI. I think I made that one out. It looks like I made it out.

Senator MUNDT. Now you are getting me pretty badly confused. Why should you make out a voucher and you are telling me now that you did, which was entirely false? Why would you pay yourself \$500 on a voucher for which you say there was no basis in fact? I think you owe us some sort of explanation for that besides, "I don't know why I did it."

Mr. CONFORTI. I would not do that. I wouldn't make out a check deliberately myself for a nonexistent meeting.

Senator MUNDT. I would not expect you to do it. That is why you must certainly give us a better explanation.

Mr. CONFORTI. The only explanation that I have or am trying to make is that it may have been in connection with this trip to the west coast on that other check there.

Mr. KENNEDY. That is a check to a railroad. It has nothing to do with it.

Mr. CONFORTI. Well, no, sir, but there may have been expenses, too, taken for that trip.

Mr. KENNEDY. Did you make the trip?

Mr. CONFORTI. No; I did not.

Senator CURTIS. Then who got the benefit of this check made to yourself?

Mr. CONFORTI. I don't know. I just don't remember. I don't recall. I never went to Portland for any meeting.

Senator CURTIS. Where was it cashed?

Mr. CONFORTI. I don't recall where it was cashed. I don't remember.

Senator CURTIS. Where was it cashed?

Senator MUNDT. Let me ask you this: Did you not keep any set of books that you could use to refresh your memory on a thing like this? You were what; secretary, or treasurer, or what?

Mr. CONFORTI. Secretary-treasurer.

Senator MUNDT. Did you not have any set of books of any kind that would indicate what was happening to this money that you could look to and find out, to help yourself and the committee, to find out what this Portland meeting was about or whether there was a Portland meeting?

Mr. CONFORTI. I don't remember any Portland meeting. I was only there once in my life.

Senator MUNDT. The question was whether you keep books.

Mr. CONFORTI. Yes, sir; we kept books and vouchers.

Senator MUNDT. When you withdraw from the union the \$500 would that not justify a little spot in your daybook, a notation?

Mr. CONFORTI. It was listed in the daybook; yes, sir.

Senator MUNDT. What did you list it in the daybook as?

Mr. CONFORTI. It would be listed the same as the voucher.

Senator MUNDT. As the Portland meeting?

Mr. CONFORTI. Yes, sir.

Senator MUNDT. And there was no Portland meeting?

Mr. CONFORTI. None that I know of. I was not there. I don't know of any.

Senator MUNDT. Did you make the listing in the daybook?

Mr. CONFORTI. Yes, sir.

Senator MUNDT. And you made out the voucher and wrote the check for a meeting which never existed? Certainly, you must have some explanation for that. I do not want to believe that you gave this to yourself, that you stole the money. I want to believe you, but you have to give me something on which to hang my hat.

Mr. CONFORTI. I can only think that it went to Mr. Stuart for expenses in connection with the transportation to the Tournament of Roses. I don't have any other explanation. I don't know.

Senator MUNDT. Was this other check which I have not seen, which you asked to be entered, is that your personal check or is that another union check, this \$550?

Mr. CONFORTI. The \$550 was a union check and so is this one.

Senator MUNDT. Both are union checks?

Mr. CONFORTI. Yes, sir.

Senator MUNDT. So it would appear, then, that if Mr. Stuart got this money, he got the \$550 plus this other check which was cashed in Kansas City?

Mr. CONFORTI. Yes, sir. That is the only thing that I can think about it. I don't recall anything else about it.

The CHAIRMAN. This check is dated November 17, 1953; the check you present here of \$618.83. It is not made to Mr. Stuart; it is not endorsed by Mr. Stuart. It is made to the Chicago, Rock Island & Pacific Railroad Co.

That was practically a month before the other check was written. If you already paid this one time, you would not write a check to pay it again.

Mr. CONFORTI. I don't know what date that was endorsed, but I know the Tournament of Roses is not until January 1, and it is quite

possible that he would have been back for expenses, too, to cover that trip.

Senator CURTIS. Mr. Chairman?

The CHAIRMAN. Yes, Senator Curtis.

Mr. CONFORTI. Excuse me, but the other check there was not for railroad expenses. That was for cash.

Senator CURTIS. This check that I asked about, where was it cashed, the check of December 14, 1953, for \$555.98, payable to yourself. That was cashed at the bank upon which it was drawn, but it has an endorsement on here following "A. Conforti" of "Charles Rustano." Who is he?

Mr. CONFORTI. He is a neighborhood storekeeper.

Senator CURTIS. A neighborhood storekeeper?

Mr. CONFORTI. Yes, sir.

Senator CURTIS. Whereabouts?

Mr. CONFORTI. In Chicago, at Grand and Harlem.

Senator CURTIS. You took this check to that store and got it cashed?

Mr. CONFORTI. Yes, sir; I cashed checks.

Senator CURTIS. Who was with you?

Mr. CONFORTI. I don't recall.

Senator CURTIS. What did you do with the money?

Mr. CONFORTI. I don't remember. I don't know.

Senator CURTIS. But you do remember that you cashed it at his store?

Mr. CONFORTI. Well, I have cashed—I have often cashed checks in his store; yes.

Senator CURTIS. Did you cash this one there?

Mr. CONFORTI. I must have if he has his endorsement on it or else he may have vouched for me at the bank.

Senator CURTIS. Is that a neighborhood store close to where you work?

Mr. CONFORTI. It is close to where I live.

Senator CURTIS. It is not close to where you live?

Mr. CONFORTI. It is close to where I live.

Senator CURTIS. It is close to where you live?

Mr. CONFORTI. Yes, sir.

Senator CURTIS. And you do not recall going into the store and cashing this check?

Mr. CONFORTI. No, sir; I don't recall anything about that. I just don't.

Senator CURTIS. You presented the other check, or your counsel has for you. What explanation do you have for it? Certainly, the last one was not to reimburse this expense because this expense was already paid.

Mr. CONFORTI. The other one was cash, advance, not a reimbursement of anything.

The CHAIRMAN. Well, that is cash advanced to attend the meeting. This one had already been issued and cashed where you bought the transportation out there, at a prior time.

I see no connection.

Mr. CONFORTI. This was not for me, this check here. I never bought any railroad tickets.

The CHAIRMAN. The other one was for you and you did not attend a meeting.

Mr. CONFORTI. No, sir.

The CHAIRMAN. What did you do with the money?

Mr. CONFORTI. I don't know.

The CHAIRMAN. All right.

Senator MUNDT. Who is Leroy Porter?

Mr. CONFORTI. He is a business representative.

Senator MUNDT. Does he countersign checks?

Mr. CONFORTI. He did; yes, sir.

Senator MUNDT. Did he countersign them in blank or did he countersign them at the time they are issued.

Mr. CONFORTI. At the time they are issued.

Senator MUNDT. Can Mr. Leroy Porter shed any light on what this \$555.98 was for, before he countersigned it? When you cashed it in a neighborhood store, you said it was for a meeting which never existed. Did Mr. Porter know anything about that?

Mr. CONFORTI. I don't know that he would know that.

Senator MUNDT. When he countersigns them, he would want to know what they are for, would he not?

Mr. CONFORTI. Yes, sir.

Senator MUNDT. I am awfully sorry you have not a better explanation. I am trying to believe you, but this is a great test of a man's credibility when you do not come up with a better explanation than that.

Senator McNAMARA. When you turned this money over to Mr. Stuart, did you ever get any receipt at all?

Mr. CONFORTI. No, sir; I never got any receipt. If I made out a check, I would make it out the way he told me and put down on the voucher what he told me.

Senator McNAMARA. You are an elected secretary-treasurer of these organizations and you are supposed to keep books and records to the satisfaction of your local union, are you not?

Mr. CONFORTI. Yes, sir.

Senator McNAMARA. Did you have an auditing committee, a board of auditors? What do you call them in your organization?

Mr. CONFORTI. Local union trustees.

Senator McNAMARA. Did you not have to account to them for handling of these funds and the special account?

Mr. CONFORTI. Yes, sir, they would make their regular——

Senator McNAMARA. In spite of that, you got no receipt for any of the money at all?

Mr. CONFORTI. No, sir.

Senator McNAMARA. When you handled the rest of your business, did you not have generally vouchers or receipts for all of your expenditures?

Mr. CONFORTI. We tried to get receipts.

Senator McNAMARA. But you did not try in this case?

Mr. CONFORTI. I just did what I was told, that's all.

Senator McNAMARA. That is kind of a weak answer. As a matter of fact, you are elected not to represent the international, but you were representing these people in your local union. You are responsible in the first instance to the people who elected you. They paid your salary; they elected you to office.

You had a trust that they confided in you. You did this business in such a manner that you do not make a very good accounting of it. I am certainly astonished that a secretary-treasurer of longstanding union experience has come out in this light.

Mr. CONFORTI. I was afraid of my job, that's all it was.

Senator McNAMARA. But you were dependent upon the rank and file for your job, not the international.

Mr. CONFORTI. Well, no, I would say I was depending on the vice president for our district, a former trustee, who continued to maintain control over the local union. If you went contrary to their wishes, you were removed from your job.

I saw it happen myself more than once, when people lost their jobs because they objected to the trustee or disagreed.

Senator McNAMARA. And you are relying on the statement that you are in fear of this man, that you are afraid of him?

Mr. CONFORTI. We have some correspondence here which shows what happens when somebody disagrees with the trustee. I saw people lose their jobs.

Senator McNAMARA. But after the election you were out of trusteeship.

Mr. CONFORTI. Yes, but it is his recommendation to continue trusteeships or he could put us back in at any time.

Senator McNAMARA. Of course, that is so in any of your local unions.

Mr. CONFORTI. Yes, sir.

Senator McNAMARA. But even in your previous connection when you were appointed by this joint committee representing all the local unions—

Mr. CONFORTI. No, sir; that is just recent that I was appointed there. That was just last year. This is 1953.

Senator McNAMARA. But in this period, you were working directly for the trustee, appointed by the general officials?

Mr. CONFORTI. From 1948 to 1953; yes, sir.

Senator McNAMARA. That is the period that these checks were drawn?

Mr. CONFORTI. Yes, sir.

Senator McNAMARA. You did not follow this procedure after you became elected by the local unions? You now have a thorough accounting for all your funds?

Mr. CONFORTI. We have now, but not at that time, even after trusteeship was removed. We still did what he told us to do.

Senator McNAMARA. He was the boss because he was in complete charge of the affairs of the local at that time? You were appointed by him, you were his representative at that time?

Mr. CONFORTI. Not after September 1953.

Senator McNAMARA. No, but at the time these checks were drawn?

Mr. CONFORTI. The exact dates I don't recall.

Senator MUNDT. The checks were drawn after September of 1953.

Mr. CONFORTI. They would be after.

Senator McNAMARA. Now, you were not dependent on him for your job, but you had been elected by the local unions involved?

Mr. CONFORTI. I was dependent, because he could have put it back in trusteeship at any time. As a matter of fact, the statement was made that there would be supervision of our local for quite some time.

Senator McNAMARA. There was a probationary period, is that what you are trying to say?

Mr. CONFORTI. I don't know what they call it. I just know that I was afraid I would be removed from my job like happened to others.

Senator McNAMARA. He did not have the authority to do it, but he would have to go to the international president, Dave Beck, would he not, to have it done?

The CHAIRMAN. Not Dave Beck.

Senator McNAMARA. I mean the international president of your local union, Mr. Cross.

Mr. CONFORTI. It is Cross now, but at that time it was Schnitzler. He reported people and they were removed and the approval came back for the removal of these people from their jobs.

Senator McNAMARA. Because he acted in the name of the international president?

Mr. CONFORTI. Yes, sir.

Senator McNAMARA. He had authority of the president?

Mr. CONFORTI. The president of the general executive board, but these people were removed from their jobs before any authority was coming from the international union. We have some accounts of these things.

The CHAIRMAN. In other words, what you are testifying to, to sum it up, is that you were under dictatorship?

Mr. CONFORTI. Yes sir, to put it bluntly.

The CHAIRMAN. That is blunt and factual, too, is it not?

Mr. CONFORTI. Yes, sir.

The CHAIRMAN. So you had to do what you were told to do or you lose your job?

Mr. CONFORTI. Yes, sir.

The CHAIRMAN. Local members had nothing to do with running the union and the officers, the local officers, who were presumably serving them, were actually serving their master and that is the national organization.

Mr. CONFORTI. Well, we were serving the trustee, definitely.

The CHAIRMAN. You were out of trusteeship?

Mr. CONFORTI. After trusteeship was lifted, yes, sir, I was still subject.

The CHAIRMAN. They were still your masters?

Mr. CONFORTI. Yes, sir.

The CHAIRMAN. You were afraid not to do what they told you to do?

Mr. CONFORTI. Yes, sir.

The CHAIRMAN. Because you had seen them remove others and you were afraid they would put you back in trusteeship and you would lose your job. So instead of serving the members of the union, even after the trusteeship was lifted, what you were serving was a national dictatorship?

Mr. CONFORTI. Yes, sir.

The CHAIRMAN. Proceed.

Senator MUNDT. You said you had seen them remove others. Are you just talking in theories now, or are you talking about actual things which have occurred?

Mr. CONFORTI. They actually have occurred.

Senator MUNDT. Can you stipulate by name and case? That will sort of bolster your position a little bit.

(The witness conferred with his counsel.)

Mr. CONFORTI. Mr. Stuart was the international trustee and there was a hearing held on whether or not the trusteeship should be continued. Mr. Stuart was named hearing officer.

We have the telegram ordering the hearing, and the notice, and then the statements of the members on what their opinions or what their belief was as far as trusteeship was concerned.

Senator MUNDT. They were against it? They were against continuing this, were they?

Mr. CONFORTI. No. These are the statements of all those that appeared at the hearing. There were 2 or 3 that were against. Of all the officers that were appointed at that particular time, there was only one who voiced an objection to trusteeship. His name is Peter Lombardi. I will quote him:

I believe we should have our local back for the simple reason that the rank and file is not satisfied with not having elections and conducting their own stewards and officers of the union, and it is quite a bit of disturbance in the shop.

The rank and file are not satisfied.

That hearing was held August 29, I believe or 27, 1949.

This then, is local No. 300, international trustee's report for the month of September 1949 to the international union. Here is part of his report.

On September 14, 1949, I sent official notification to Peter Lombardi informing him of his removal from the office of trustee for Biscuit, Cracker, and Candy Workers Local No. 300 as well as a delegate to the Chicago bakers joint executive board of the Bakery and Confectionery Workers International Union of America.

The CHAIRMAN. At this point, what you are establishing is the fact that if they did not take orders from the international, the international simply removed them from office?

(The witness conferred with his counsel.)

The CHAIRMAN. Is that correct?

Mr. CONFORTI. Yes, sir.

The CHAIRMAN. That is a fact, is that correct?

(The witness conferred with his counsel.)

Mr. CONFORTI. Yes, that is correct and as I stated before, he removed them before getting any prior approval for removing anybody from their job in the local union.

Senator MUNDT. I am trying to get to this: Who removed Peter Lombardi? Who assigned that?

Mr. CONFORTI. Mr. Stuart, the international trustee.

Senator MUNDT. He kicked him out because he objected to continuing the trusteeship?

Mr. CONFORTI. Two weeks later. On October 19, 1949. There is a letter to Mr. Stuart, special trustee, by Mr. William F. Schnitzler, submitted for the president, Herman Winter:

This is to advise the general executive board has acted favorably upon the change you have made in the official family of local 300 and approval is hereby given for the removal of Peter Lombardi from his office of trustee.

Senator MUNDT. What you are establishing there is that for the then president of the union, Stuart was his official bouncer and he bounced him out on that occasion, bounced Lombardi out?

Mr. CONFORTI. I don't know what he considered them. I don't know what happened.

Senator MUNDT. He bounced Lombardi out?

Mr. CONFORTI. Among others.

Senator MUNDT. Have you some more? Go ahead.

(The witness conferred with his counsel.)

Mr. CONFORTI. We have some other correspondence on the same kind of situation.

Then, previous to this, also, when I was appointed in the beginning in 1948, in December, or the beginning of 1949, I was appointed secretary-treasurer. The former business agent was reappointed also for a matter of 3 or 4 months. It was about 3 or 4 months later when he also objected to the trusteeship being continued.

Senator MUNDT. What was his name?

Mr. CONFORTI. Ralph Ricci.

Senator MUNDT. Ricci?

Mr. CONFORTI. R-i-c-c-i.

He was the president and the business agent. He was reappointed, as I said, for about 3 or 4 months, until he had got some of the members to submit a petition to the international union requesting the removal of Mr. Stuart as trustee. A week or two later he was forced to resign.

Senator MUNDT. By Stuart?

Mr. CONFORTI. Yes, sir.

He went back to work at the National Biscuit Co. I don't know what happened. I had a copy of the termination list, where a year later he quit National Biscuit Co. He didn't like the idea of working in a bakery any more, I guess, or I don't know what. But he left there, anyway.

When I was appointed, I was given a 1-year leave of absence. That was in December, I believe, of 1948. Therefore, in December of 1949, my leave of absence had expired, and it was not renewed. I had no more leave of absence, I had no more job. I had been with the company at that time about 12 years. I had forfeited my job and security, and pension rights and so on, to work for the local union, and I had, therefore, no more security, no nothing.

Senator MUNDT. So if you got kicked out of your job with the union, you would have been out of work?

Mr. CONFORTI. I would have been out of work, period.

Senator MUNDT. Stuart kicked Ricci out of his job, is that correct?

Mr. CONFORTI. Yes, sir.

Senator MUNDT. And kicked Lombardi out of his job?

Mr. CONFORTI. Yes, sir.

Senator MUNDT. And you say there are others that you know about?

Mr. CONFORTI. I think there are more, the office employees—

Senator MUNDT. In all of this, it is pretty clear from your testimony that even after you had established so-called local option of your union in 1953, you were still operating under the fear of Stuart?

Mr. CONFORTI. Yes, sir, the fear of losing my job.

I would like to also point out that I was told when I was appointed on this job in 1948, that I would receive the same wages as the former secretary-treasurer and business agent, the same conditions and so on. They were receiving a total of \$160 a week, I believe. I was paid \$85 a week instead of the \$160. I never did receive the \$160 in the 5 years.

Also, the former business agent was supplied with an automobile by the local union, which I didn't receive. Like I say, I never did receive the wages. I received \$75 a week for the first year and the next 3 years I think it was \$85 a week. The highest wage I received under the trusteeship was, I think, \$109.

Senator MUNDT. And what do you receive now as an elected official?

Mr. CONFORTI. Since May of last year, \$275 a week because of the merged local unions, where the membership has grown and where the work increased duties and so on.

The CHAIRMAN. All right, Mr. Counsel.

Mr. KENNEDY. Because of this so-called domination by your master, were any of the union funds used to purchase personal gifts or pay the bills of any of these people?

Mr. CONFORTI. Yes.

Mr. KENNEDY. Did you know this was going on during this period of time?

Mr. CONFORTI. Yes, I believe I did.

Mr. KENNEDY. And you felt that you couldn't object to it; is that right?

Mr. CONFORTI. You are right. I felt I could not object.

Mr. KENNEDY. You did not object?

Mr. CONFORTI. No, sir; I had no authority to question them.

Mr. KENNEDY. In 1954, Mr. Conforti, we find from your records, a review of your records, one item, that there were \$2,591.48 worth of camera equipment purchased and charged to the local union. What was that camera equipment for?

Mr. CONFORTI. Well, he told me they were for gifts—

Mr. KENNEDY. Who is "he"?

Mr. CONFORTI. Mr. Stuart. He told me they were for gifts for other union officials, or labor leaders. In one instance, I think he said it was for gifts to be distributed at the Illinois State Fair, gifts.

Mr. KENNEDY. Do you know who received those gifts?

Mr. CONFORTI. No, sir.

Well, I got a camera. He gave me a camera.

Mr. KENNEDY. So you were one of the ones that got one?

Mr. CONFORTI. Yes.

Mr. KENNEDY. How did you happen to receive a camera?

Mr. CONFORTI. Well, he told me to go down and buy these various items for gifts, and when I brought them back, he gave me one.

Mr. KENNEDY. He gave you one of the cameras?

Mr. CONFORTI. Yes, sir.

Mr. KENNEDY. Was he taking a trip at that time, that he needed these cameras himself?

Mr. CONFORTI. That was the year, I think, yes, when he was going to Europe.

Mr. KENNEDY. He was going to Europe?

Mr. CONFORTI. I believe so. I am not positive. I think that was to Europe.

Mr. KENNEDY. And he needed some of the equipment to go to Europe, some camera equipment?

Mr. CARMELL. Is that 1954 you are talking about?

Mr. KENNEDY. It might be true of the first part of 1955.

Wait a minute. I have the checks.

Mr. CONFORTI. I don't recall that he said he needed any of that to go to Europe.

Mr. KENNEDY. There is a check on June 14, 1954, for \$107.49; August 12, 1954, \$776.10; August 12, 1954, \$300.78; September 17, 1954, \$123.15; October 11, 1954, \$727.05; December 8, 1954, \$17.07.

So it is all in the last 6 months of 1954.

Do you have anything further on that?

(At this point, Senator Curtis withdrew from the hearing room.)

Mr. CONFORTI. Not that I can recall right now; no, sir.

Mr. KENNEDY. This trip to Europe, do you know whether that was paid by the union or not?

Mr. CONFORTI. By our local union?

Mr. KENNEDY. No, by the bakers union.

Mr. CONFORTI. I believe it was. I just heard.

The CHAIRMAN. The Chair presents to you the series of six checks that counsel has interrogated you about, and I ask you to identify them, examine them, and identify them, so that they may be made exhibits.

(Documents handed to witness.)

(The witness conferred with his counsel.)

Mr. KENNEDY. That is \$2,591.48.

The CHAIRMAN. Those checks aggregate \$2,591.48.

Will you examine them and identify them, please?

Mr. CONFORTI. Yes, sir. I identify the checks as having been written on the local union.

The CHAIRMAN. They may be made Exhibit No. 6.

(The documents referred to were marked "Exhibit 6" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. \$539.84, dated May 24, 1954, is another one of the checks, Mr. Chairman. I omitted that one.

The CHAIRMAN. Will you examine this check, which should have been included with the others to make that total?

(Document handed to witness.)

Mr. CONFORTI. Yes, sir. This one specifically states it was for bon voyage presentation for him.

The CHAIRMAN. Specifically states what?

Mr. CONFORTI. Bon voyage presentation to Mr. Stuart. It doesn't state Mr. Stuart, but it is—

The CHAIRMAN. A going-away gift when he started overseas?

Mr. CONFORTI. Yes, sir.

The CHAIRMAN. That will be made part of exhibit No. 6.

Those may be printed in the record. I think they have some significance.

Mr. KENNEDY. Did the local union give approval to the purchase of \$2,500 worth of camera equipment?

Mr. CONFORTI. I don't recall.

Mr. KENNEDY. Were the members informed that the \$2,500 worth of their dues were being used to buy camera equipment for Mr. Stuart?

Mr. CONFORTI. I don't believe so.

The CHAIRMAN. Did you inform them?

Mr. CONFORTI. Did I?

The CHAIRMAN. Yes.

Mr. CONFORTI. No, sir, I don't believe I did.

The CHAIRMAN. Who else knew about this transaction, except you and Stuart?

Mr. CONFORTI. I guess Mr. Porter did. I don't know. Mr. Porter.

The CHAIRMAN. Do you think the board knew about it?

Mr. CONFORTI. Our executive board, the local executive board?

The CHAIRMAN. Yes.

Mr. CONFORTI. I don't know if they knew about that one when he was going over to Europe. They may have known about that. The others, I doubt that they did.

The CHAIRMAN. The others you doubt?

Mr. CONFORTI. I doubt that they knew; yes, sir.

The CHAIRMAN. So it is just a transaction between you and Stuart, where he ordered you to do it and you did it?

Mr. CONFORTI. Yes, sir.

Senator MUNDT. What kind of annual reports do you make to your union, monthly reports or semiannual reports? Do the members have any way of finding out what happens to their money?

Mr. CONFORTI. Well, they do now. At that particular time, they were just financial reports—excuse me.

(The witness conferred with his counsel.)

Senator MUNDT. In other words, at that time, you just said in the course of the year so many thousands of dollars had been collected and it had been spent, and you did not tell them where?

Mr. CONFORTI. Also, every detailed expenditure is listed on our financial daybook pages.

Senator MUNDT. Listed where?

Mr. CONFORTI. Listed on our cashbook, each one.

Senator MUNDT. But how does a baker in the plant ever see the cashbook?

Mr. CONFORTI. We make a financial report. It was condensed at that time. From the beginning of 1948 it was made that way.

Senator MUNDT. In other words, you never made a detailed accounting of how the money was spent?

Mr. CONFORTI. We did to the international union; yes, sir.

Senator MUNDT. To the international union?

Mr. CONFORTI. Yes, sir.

Senator MUNDT. I am talking about the people who paid the bills, who paid the money. They are the ones who should have the report. It is their money that is going to the international union, where they are dipping into it to take trips to Europe, buy Cadillac cars, and so forth. The guy who pays the dues, where does he come out on it? Where does he get his information? Let's stick with him. What does he find out?

Mr. CONFORTI. Our local board of trustees comes in and they are given all the books and all the expenditures and everything else.

Senator MUNDT. What about Joe Bloke in the bakery; what does he find out? Where does he find out what happens to his money? John Q. Baker, does he have any right in this at all?

Mr. CONFORTI. The membership themselves elect the local trustees.

Senator MUNDT. That does not answer the question. How does the membership who pay the dues find out what happened to their money?

You used to be a union baker, did you not, some place along the line?

Mr. CONFORTI. I still consider myself so.

Senator MUNDT. I mean before you were an officer, you earned your living as a baker?

Mr. CONFORTI. Yes, sir.

Senator MUNDT. And you paid dues. As a dues-paying member, do you think you have a right to know what happens to your money?

Mr. CONFORTI. At the end of each year, we prepare yearly financial reports on all the disbursements and receipts.

Senator MUNDT. Condensed? You can put it on the back of a playing card?

Mr. CONFORTI. No, I mean the report made each month at the executive meeting, at that time it is condensed, but for the year it is more explicit and lists the items.

Senator MUNDT. Do they list all the items? Do they list the camera equipment?

Mr. CONFORTI. Not individually as camera equipment in the yearly report.

(The witness conferred with his counsel.)

Mr. CONFORTI. We couldn't list each individual transaction.

Senator MUNDT. In other words, there just is no way in your system of reporting to the members, for the union member finding out whether or not his money is being appropriately spent or not?

Mr. CONFORTI. There is and there has been now for the past year or more.

Senator MUNDT. Up until the last year, we will put it that way, there was no way under your procedure of reporting to the fellow who pays the dues to support the union whether his money was being properly spent or improperly spent, is that correct?

Mr. CONFORTI. There are also financial reports made at membership meetings; yes, sir.

Senator MUNDT. How much would they tell them there, that there was so much collected and so much spent, and move that it be approved?

Mr. CONFORTI. That was about the size of it.

Senator MUNDT. Do you not think that it is about time that the dues-paying members of American unions began asserting their American rights to know something about what is going on in their own outfit? I think the membership themselves are subject to some criticism that they do not stand up like Americans and holler about it, and say, "We want to know. We are Americans. We don't want to be taxed without representation. We want to know what is happening."

Certainly the officers have some obligation to tell the people the facts. The whole idea of developing a labor movement based on fear, coercion, intimidation, dictatorship and secrecy is incompatible with American traditions, in my opinion.

Mr. CONFORTI. Here is a statement that we prepared for 1956. It lists the automobile expenses, building maintenance, negotiation expenses, executive board, and so forth.

Senator MUNDT. Under what heading does it list the cameras?

Mr. CONFORTI. This is 1956.

Senator MUNDT. This is the new system?

Mr. CONFORTI. Yes, sir.

Senator MUNDT. You are learning. I am glad you are doing better. But I am talking about prior to that.

You recognized, certainly, that prior to that time, the dues-paying member and his family was not getting a square shake as far as getting a clear-cut, fully detailed report was concerned?

Mr. CONFORTI. We prepared those before, too.

The CHAIRMAN. Senator Ervin.

Senator ERVIN. Did I understand you to say that on some occasion the international officers removed the local officers and tried them under the union rules later?

Mr. CONFORTI. No. I said if you objected to the international trustee, whoever would be in charge, that you would be removed from your job. There wouldn't be any charges.

Senator ERVIN. There would not be any kind of trial or hearing on it?

Mr. CONFORTI. No, sir.

(The witness conferred with his counsel.)

Senator ERVIN. In other words, the international officers had the right or the power to remove officers from the local unions without any kind of a notice or hearing?

Mr. CONFORTI. Under the trusteeship; yes.

As I state in that letter, they just sent a letter to him notifying him of his removal. That is all.

Senator ERVIN. And the international officers could order a local union into a trusteeship?

Mr. CONFORTI. They would first conduct the hearing on the trusteeship.

Senator ERVIN. But they were the ones who conducted the hearings and made the rulings?

Mr. CONFORTI. Pardon?

Senator ERVIN. They were the ones—

Mr. CONFORTI. That conducted the hearing; yes, sir.

Senator ERVIN. After they conducted the hearing, they had the power to make the decision, which gave them practically dictatorial power over the local union, by ordering it into the trusteeship?

Mr. CONFORTI. That is correct.

Senator ERVIN. They had the trial, and then they appointed among themselves the trusteeship.

Mr. CONFORTI. Mr. Stuart was the trustee. He conducted the hearing.

Senator ERVIN. He was the judge, the jury, and also the beneficiary of his own decision?

Mr. CONFORTI. Yes, sir.

Senator ERVIN. I want to say this, Mr. Chairman, about this witness. There is something in the Scriptures that says, "Blessed is he who sweareth to his own hurt and changeth not."

I think this particular witness deserves the thanks of the committee, the thanks of Congress, the thanks of labor, and the thanks of the American people for coming here and telling the truth without in-

voking the fifth amendment. It certainly is a refreshing experience to undergo, as a member of this committee, to see a witness of this character before us.

The CHAIRMAN. Are there any further questions? Senator McNamara?

Senator McNAMARA. I have a few brief questions.

I believe we all understand that when a local union is in trusteeship, it is subject to the whims and caprice of the man who is placed in charge of the local union by the international. But you started out earlier today by saying that to get a local union into trusteeship, they would have a trial, a trial officer would be appointed, charges would be filed, and they would be given an opportunity to face those charges. Is that correct?

Mr. CONFORTI. In order to establish trusteeship?

Senator McNAMARA. Yes.

Mr. CONFORTI. No; there would be no trial, no charges. There would be a hearing.

Senator McNAMARA. Well, you can call it a hearing, but it amounts to the same thing. Go ahead.

Mr. CONFORTI. Then the hearing officer, who is appointed by the International Union, makes his report on the hearing, with his recommendation, and so on and so forth.

(At this point, Senator Mundt withdrew from the hearing room.)

Senator McNAMARA. Makes the report to whom?

Mr. CONFORTI. To the International Union.

Senator McNAMARA. The international executive committee or the international president?

Mr. CONFORTI. I think it goes to the president and then I think it is taken up with the general executive board.

Senator McNAMARA. Subject to approval by the board in the final analysis?

Mr. CONFORTI. I believe so.

Senator McNAMARA. This is all in accordance with your constitution?

Mr. CONFORTI. Yes, sir.

Senator McNAMARA. I do not understand after you get out of trusteeship, why you still have this fear of the vice president in charge of the district. I think your fear is slightly unfounded.

Mr. CONFORTI. Because he could put us back into trusteeship.

Senator McNAMARA. He could only do it by somebody in your local union or somebody in the international filing charges.

Mr. CONFORTI. That is the easiest thing in the world to do.

Senator McNAMARA. Of course it is easy to do. Under your constitution, it is easy to do. I understand. But it is not easy to make it stick; if the charges are unfounded, if there are not grounds for it, why should you be afraid?

Mr. CONFORTI. They don't make charges. They don't try to disprove. They just call the hearing, and the hearing officer makes a report. There is no chance for proving or disproving anything.

Senator McNAMARA. That is what your testimony says up to now. It says two things. It says that there are charges preferred, there is a hearing, you do have an opportunity to face up to it. You say this on the one hand. On the other hand, you say this is not so. Which is the fact? What do you want the record to reflect?

Mr. CONFORTI. I don't think I said that any charges would be made, or that there were hearings on charges.

Senator McNAMARA. You said a hearing officer would be appointed, that he was appointed to go into the charges that were made by somebody. Or was he?

Mr. CONFORTI. He was appointed to hear the members of the local union.

Senator McNAMARA. That is right. And they had charges preferred against the officials of the local?

Mr. CONFORTI. No, sir, not charges. They had complaints. They would make complaints.

Senator McNAMARA. Let us call them complaints. It means the same thing.

Mr. CONFORTI. Then the trusteeship would be established and then charges might be preferred against individuals and then they would be removed. That is exactly what happened to us. Then charges were preferred for—

Senator McNAMARA. Now you are getting back to the first instance, when you first went into trusteeship, is that right?

Mr. CONFORTI. Yes.

Senator McNAMARA. What were the charges?

Mr. CONFORTI. There was this commotion on the board meeting about the representation elections for the machinists who were part of our union. One or two or three of these machinists were officers in our local union. It seemed that there was a movement there, by having them pull out of the bakers union into the machinists union, then the officers of the bakers union that were in conflict with the officers who were machinists would be rid of them, and they wouldn't be in our union anymore. Because of that, they requested the international union to step in and see if they couldn't do something about it, or settle the argument or commotion.

Senator McNAMARA. Who made the request, the machinists or the bakery workers?

Mr. CONFORTI. I think—It was the bakers, the bakery workers, I think.

Senator McNAMARA. The machinists did not have any question? They just wanted to withdraw from the bakery workers and become members of the machinists union?

Mr. CONFORTI. All those, I think, except those that were officers of local 300. They didn't want to. They would have to give up their jobs as officers of the local union.

Senator McNAMARA. These officers of the local union filed charges or complaints, if you will, with the international? Is that your interpretation?

Mr. CONFORTI. No; there was a petition sent in to the international union. I may have been one of them that was approached by the president at that time. I don't recall.

Senator McNAMARA. Were there hundreds of signatures on this petition, or just a few?

Mr. CONFORTI. I don't recall how many were on there. Or it was to write a letter. That was the whole idea. The president of the local union approached I don't know how many people, and asked them or myself—I may have been one of them, I don't remember—to send a

letter to the international union, requesting them to step into the picture in the local union. There couldn't have been too much lapse of time, because we still had a board meeting on August 24—wasn't it—of 1948, according to the mimeographed sheets we have. And on September 7, trusteeship was established already.

(At this point Senators Erwin and Mundt withdrew from the hearing room.)

Senator McNAMARA. I do not think the time element is important. The rank-and-file members, a certain portion of them, a large or small group, petitioned the international office to appoint a trustee?

Mr. CONFORTI. Not to appoint a trustee, but to send a representative to the local union to investigate, to see what the trouble was, and see if he couldn't straighten it out. Then from there, the trusteeship was established after his recommendation.

(At this point Senator Goldwater entered the hearing room.)

Senator McNAMARA. Then you requested that they take the first step that resulted in the appointing of a trustee?

Mr. CONFORTI. Yes.

Senator McNAMARA. Then the rank and file asked for this action that resulted in the trusteeship, all in accordance with your constitution?

Mr. CONFORTI. I don't know about the rank and file.

Senator McNAMARA. You said you were one of the people who might have signed the petition?

Mr. CONFORTI. Yes.

Senator McNAMARA. The other people who signed it were members of the union, I take it?

Mr. CONFORTI. Yes, sir.

Senator McNAMARA. From your description, that is. Then these are the rank and file, are they not? Is that not what you refer to as rank and file?

Mr. CONFORTI. Yes, sir, but I thought you meant the majority of the rank and file.

Senator McNAMARA. I didn't mean majority. We don't know whether there are a few or many, because you don't know, and you are giving the testimony. But if this is the procedure, why do you have such fear? Are you afraid that the rank and file would turn on you after they elected you to office? Is that what you are saying?

Mr. CONFORTI. We were always hopeful that the trusteeship would be lifted and the trustee would remove himself from the local union, but it just didn't happen that way. After 5 years of jumping and doing what you are told—

Senator McNAMARA. But you asked for it in the first place; you, as one who might have signed a petition, asked for it.

Mr. CONFORTI. Yes, but I only signed or wrote the letter at the request of the president of the local union at that time.

Senator McNAMARA. What motivated you is not the question, but you did it, nevertheless.

Mr. CONFORTI. Yes.

Senator McNAMARA. All right.

The CHAIRMAN. Mr. Conforti, you will return at 2 o'clock.

The committee will stand in recess until that time.

(Thereupon, at 12:15 p. m., the committee recessed, to reconvene at 2 p. m., the same day.)

(Members present at the taking of the recess were Senators McClellan, McNamara, and Goldwater.)

AFTERNOON SESSION

(Members present at the convening of the afternoon session, Senators McClellan and Goldwater.)

The CHAIRMAN. The committee will come to order.

TESTIMONY OF ANTHONY J. CONFORTI, ACCOMPANIED BY COUNSEL, SHERMAN CARMELL—Resumed

Mr. KENNEDY. This morning we were discussing the use of union funds and the purchase of some cameras, which you obtained, one of them I understand from Mr. Stuart. Were there any other gifts that were purchased for the union officials with union money which was not authorized by the union membership?

Mr. CONFORTI. Offhand, I can't recall.

Mr. KENNEDY. Did you receive anything besides a camera, yourself?

Mr. CONFORTI. Yes; a fishing rod and fishing tackle.

Mr. KENNEDY. Some fishing tackle?

Mr. CONFORTI. Yes, sir.

Mr. KENNEDY. Was that with union funds, that you received the fishing tackle?

Mr. CONFORTI. Yes, sir.

Mr. KENNEDY. Did you receive anything else?

(The witness conferred with his counsel.)

Mr. CONFORTI. I had a projector and screen for still pictures, which he later took back.

Mr. KENNEDY. What does that mean? You were given the projector and screen which was purchased for you out of union funds, initially?

Mr. CONFORTI. Yes, sir.

Mr. KENNEDY. And then Mr. Stuart came along and took it back?

Mr. CONFORTI. Yes, sir; that is right.

Mr. KENNEDY. Why did you give it to him, if it was yours?

Mr. CONFORTI. He wanted them and so he took them.

Mr. KENNEDY. Did you receive anything else?

Mr. CONFORTI. A pair of binoculars.

Mr. KENNEDY. Was that also purchased by Mr. Stuart out of union funds for you?

Mr. CONFORTI. Yes, sir.

Mr. KENNEDY. Or did you get that yourself?

Mr. CONFORTI. No; that was also purchased in the same manner.

Mr. KENNEDY. Was there anything else that you received, yourself?

Mr. CONFORTI. Well, there were various gifts at Christmastime, and it has been a procedure for many years, and I did get a cutlery set, the same gift that the executive board members received, all of our board members.

Mr. KENNEDY. How much would that amount to?

Mr. CONFORTI. I think in the neighborhood of \$30 or so.

Mr. KENNEDY. Did you ever receive some silverware and steak knives?

Mr. CONFORTI. Steak knives; yes, the cutlery.

Mr. KENNEDY. That was only \$30 worth?

Mr. CONFORTI. Each one, each set was about that.

Mr. KENNEDY. How many sets did you receive?

Mr. CONFORTI. I received one.

Mr. KENNEDY. So you only received \$30 worth?

Mr. CONFORTI. Yes; at that particular time.

Mr. KENNEDY. Was that approved by the membership that you should all receive steak knife sets?

Mr. CONFORTI. It was approved in the beginning by the executive board, and it had been a procedure, as I say, for many years, going back to 1949 or 1950, or thereabouts.

Mr. KENNEDY. Since the union was under trusteeship?

Mr. CONFORTI. Yes; I believe so.

Mr. KENNEDY. Did the membership know you were buying yourselves these gifts?

Mr. CONFORTI. Well, it was for the entire executive board, and I imagine they knew, and they must have discussed it in the plants, the shop steward and board members.

Mr. KENNEDY. Did you receive anything else other than that gift at Christmas?

Mr. CONFORTI. Offhand I don't recall any.

Mr. KENNEDY. You don't remember receiving any other silverware or steak knives sets?

Mr. CONFORTI. Not that I can recall right now.

There was one year, there was a picnic basket.

Mr. KENNEDY. You received a picnic basket?

Mr. CONFORTI. Yes, sir.

Mr. KENNEDY. How much was that worth?

Mr. CONFORTI. Around the same amount of money, I think, I don't recall definitely. I don't remember what year it was. Through the years. I don't remember.

Mr. KENNEDY. Do you know a store by the name of L. London?

Mr. CONFORTI. Yes, sir.

Mr. KENNEDY. What does L. London sell?

Mr. CONFORTI. Jewelry, and so on.

Mr. KENNEDY. Would you identify this check?

The CHAIRMAN. The Chair presents to you a check on the Etna State Bank, dated January 30, 1956, drawn on L. London, in the amount of \$383.32. I will ask you to examine it and state if you can identify it and also state whether it is in payment of the attached voucher.

These are photostatic copies.

(Document handed to witness.)

Mr. CONFORTI. Yes, sir; I identify this as a check.

The CHAIRMAN. It may be made exhibit No. 7.

(The document referred to was marked "Exhibit No. 7," for reference, and will be found in the Appendix on pp. 3131, 3132.)

The CHAIRMAN. State what it is and what it is for.

Mr. CONFORTI. It is a check in the amount of \$383.32 drawn on local 100.

The CHAIRMAN. On local 100?

Mr. CONFORTI. Yes, sir, and made out to L. London, and the voucher states "conference expenses."

The CHAIRMAN. States what?

Mr. CONFORTI. Conference expenses.

The CHAIRMAN. What conference did he attend?

Mr. CONFORTI. I wouldn't know of any conference, sir. It was made out under the instructions of Mr. Stuart.

(The witness conferred with his counsel.)

Mr. CONFORTI. I was not a member of that particular local union. I was appointed to cosign these checks by Mr. Stuart.

The CHAIRMAN. You had some responsibility, if you were not a member you were acting as an agent, an employee, of the trustee of it, were you not, by appointment?

Mr. CONFORTI. I don't know. He had myself and Mr. Carpenter appointed. The local union was still under trusteeship.

The CHAIRMAN. Is L. London a member of the union?

Mr. CONFORTI. No, sir.

The CHAIRMAN. What kind of conference would you be having with a man like that, and paying him \$383?

Mr. CONFORTI. None that I know of.

The CHAIRMAN. In other words, that was a coverup, was it not, for purchases?

Mr. CONFORTI. That is what he told us to put on the voucher.

The CHAIRMAN. What did he purchase at that time? Did you not know about it?

Mr. CONFORTI. No, sir.

The CHAIRMAN. All right.

Mr. KENNEDY. You say Mr. Stuart did at that time, also, is that right?

Mr. CONFORTI. Did what, sir?

Mr. KENNEDY. You say this is Mr. Stuart, again?

Mr. CONFORTI. Yes, sir. We would put down on the voucher what he would say to put down.

Mr. KENNEDY. Mr. Conforti, according to the records, we checked with L. London, and these were purchases for you, \$383.32, with purchases for you. There was a knife service, a camping set, a set of silverware, and another service, and different kinds of services, making a total of \$383.32, which was put on the account of Tony Conforti, and your name appears on the check.

Mr. CONFORTI. May I see those, please?

The CHAIRMAN. The Chair presents to you an itemized statement of the accounting together with each purchase ticket, photostatic copies of them, and apparently this check went to pay for them. They total the same amount as the check. This is from L. London.

Mr. KENNEDY. Mr. Chairman, we had an investigator check with that store, and they have stated that that \$383 check was used to pay for these items.

The CHAIRMAN. All right.

At least they agree in total. Let us see what the answer is.

(Documents handed to witness.)

Mr. CONFORTI. These camping sets and steak knives, yes, they were what we had given to all of our executive board, but there is one here for a set of silverware, which I have never seen.

Mr. KENNEDY. That is \$200.

Mr. CONFORTI. Yes, sir, that is a \$200 item.

The CHAIRMAN. Did you buy it?

Mr. CONFORTI. No, sir.

The CHAIRMAN. Why was it charged to you?

Mr. CONFORTI. I don't know.

The CHAIRMAN. You never heard of it before?

Mr. CONFORTI. No, sir.

The CHAIRMAN. Who wrote the check for it?

Mr. CONFORTI. Well, I signed the check, and I was told to make the check out, but I have never seen any set of silverware.

The CHAIRMAN. Somebody else got that one?

Mr. CONFORTI. Yes, sir, they certainly did, and I never saw it.

The CHAIRMAN. That has been identified and it may be made exhibit No. 8.

(The document referred to was marked "Exhibit No. 8" for reference and will be found in the appendix on pp. 3133-3136.)

Mr. KENNEDY. These have your name on them, of course, these bills, each one of these.

Mr. CONFORTI. Yes, sir, I saw my name on them.

Mr. KENNEDY. You do not have any explanation for it?

Mr. CONFORTI. I may have picked up part of that merchandise, or all of it, and I don't recall, and that would put my name on the bill.

(The witness conferred with his counsel.)

Mr. CONFORTI. The silverware I have never seen, I have never seen any silverware. I have never seen it.

Mr. KENNEDY. You say Mr. Stuart is responsible for this, too, then?

Mr. CONFORTI. Well, yes, any checks that were written were written at his direction.

Mr. KENNEDY. Were there any checks written so that he could cash them, and use the moneys, other than matters that we discussed this morning?

Mr. CONFORTI. I am not sure that I know what you mean.

Mr. KENNEDY. Do you know of any time that any of the money from the local went to Mr. Stuart?

Mr. CONFORTI. Which local?

Mr. KENNEDY. From your local 300.

Mr. CONFORTI. From local 300, I think there was one instance when the check was made out directly to him.

Mr. KENNEDY. How much was that for?

Mr. CONFORTI. I think that was \$175 check.

Mr. KENNEDY. For what reason was that?

Mr. CONFORTI. I don't recall right now.

Mr. KENNEDY. Did you have an arrangement with the Midwest Hotel Catering Service, or Catering Corp., of the Midwest Hotel?

Mr. CONFORTI. We had an office there.

Mr. KENNEDY. Were there any checks cashed there?

Mr. CONFORTI. None that I know of.

Mr. KENNEDY. You never cashed any checks. Did you have any bills there?

Mr. CONFORTI. We had bills there, for different meetings, and hall rentals, and so on, for ourselves.

Mr. KENNEDY. Did you always verify that there was actually a meeting when there was a check made out to the Midwest Hotel? Did you always verify there was a meeting there?

Mr. CONFORTI. Well, any meetings that we had, I would have known about it. But there were other meetings there that Mr. Stuart had held, or entertainment, and so on, and I wouldn't know about except that he would say to pay so much or make out a check for so much.

Mr. KENNEDY. Do you know whether he actually used that money to pay a bill, or whether he put the money in his pocket?

Mr. CONFORTI. I can't say. I know that he has had meetings there.

Mr. KENNEDY. Did you ever check to find out if the meeting took place, Mr. Conforti? You were in charge of the money. Did you ever check that?

Mr. CONFORTI. I never checked it.

Mr. KENNEDY. Did you ever get a voucher for it?

Mr. CONFORTI. I think sometimes we did, and I don't recall.

Mr. KENNEDY. Now, the records of the hotel show, for instance in 1955, that there were checks amounting to \$3,439.73 cashed there, of which the hotel received only \$2,200.68, making an excess in 1955 of \$1,239.05.

Do you have any explanation for what happened to that money, \$1,239.05?

Mr. CONFORTI. Well, that possibly could be what he said when he had entertaining expenses there in connection with these meetings.

Mr. KENNEDY. That is all contained in the receipts of the hotel, which is \$2,200.68, which is to pay for the bills at the hotel, for the rooms, and for the entertainment and whatever it might be at the hotel.

But beyond that, the checks were cashed at the hotel for \$3,000 or made payable and cashed at the hotel, \$3,439.73, and the excess in cash was turned over, amounting to \$1,239.05.

Can you give the committee any explanation as to what happened to the \$1,239.05?

Mr. CONFORTI. Only what he told me, that the money was spent there in the building there, in the restaurant or in the cocktail lounge in connection with these meetings.

Mr. KENNEDY. Did you ever suspect that he might be taking this money and using it for his own personal benefit?

Mr. CONFORTI. No, sir.

Mr. KENNEDY. You never thought that?

Mr. CONFORTI. No, sir. There had been times when either the employees of the restaurant or the bar would say to me that they had seen him there the previous night, or the previous afternoon, or something like that.

Mr. KENNEDY. Now, in 1956, the excess was \$397 and in 1957, so far, it has been \$86.71 making a total of \$1,722.76.

Do you know what happened to that money?

Mr. CONFORTI. No, sir.

Mr. KENNEDY. Now, that you understand that the other moneys that were used to pay the bills, we can understand that, and we account for those, but this is excess and checks made payable to the Midwest Hotel, which were not used to pay bills.

Mr. CONFORTI. Only what he said the money was used for.

Mr. KENNEDY. Mr. Chairman, this is a schedule from the Mid-West Hotel Catering Corp., and is signed by their auditors, which gives in detail the figures that I gave in summary. He wouldn't be able to identify that.

The CHAIRMAN. Have you interrogated him fully regarding the totals and discrepancies?

Mr. KENNEDY. Yes; and these are the checks made payable to the hotel.

The CHAIRMAN. He can identify the checks, I think.

Mr. KENNEDY. He can.

The CHAIRMAN. The Chair presents to you a series of checks, some originals and some photostatic copies, paid to the Mid-West Hotel Catering Corp. I ask you to examine them and see if you identify them.

(Documents were handed to the witness.)

Mr. CONFORTI. They all appear to be the checks.

The CHAIRMAN. They may be made exhibit No. 9 for reference.

(The documents referred to were marked "Exhibit No. 9" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. In connection with that other matter that I showed you earlier, of the check made payable to L. London, Jewelers, January 30, we have another check made payable to London Jewelers on November 25, 1955, for \$780.

Mr. CARMELL. Would you give me the number?

Mr. KENNEDY. 7321. That is listed in your books as "Xmas presents." Who were the Christmas presents given to?

Mr. CONFORTI. Those are for our executive board and shop stewards.

Mr. KENNEDY. What was the \$383.32 for?

Mr. CONFORTI. There may have been 1 or 2 more sets on these steak knives or carving sets.

Mr. KENNEDY. How many do you have on your executive board?

Mr. CONFORTI. At that time there was about 40.

Mr. KENNEDY. Everybody got a little gift?

Mr. CONFORTI. Yes, sir.

The CHAIRMAN. The Chair presents to you a canceled check, dated November 25, 1955, in the amount of \$780, payable to London Jewelers, and ask you to examine it and identify it.

(A document was handed to the witness.)

Mr. CONFORTI. Yes, sir; I can identify this.

The CHAIRMAN. It may be made exhibit No. 10.

(The document referred to was marked "Exhibit No. 10" for reference and will be found in the appendix on pp. 3137-3138.)

The CHAIRMAN. That will be for reference along with the other check.

Mr. KENNEDY. Now, in the books and records of the local, Mr. Conforti, you have a sum made payable to a Mr. John Mascarella, \$2,500 retainer fees. That was in 1955, I believe, and 1956 and 1954.

Could you tell the committee what Mr. Mascarella was doing for the union?

Mr. CONFORTI. Yes, sir. He was performing services for our membership, mainly helping them to find places to live and we had problems with the real-estate problems, real-estate taxes, and things of that nature.

He had been doing that and I don't recall for how long a period of time prior to that, but in 1954 then he was paid.

Mr. KENNEDY. Did you ever discuss this with the board, that you were going to pay this money out to Mr. Mascarella?

Mr. CONFORTI. I am quite sure.

Mr. KENNEDY. It does not appear in the minutes of your board meetings of local 300.

Mr. CONFORTI. Nevertheless, I am quite sure that it was discussed with the board.

Mr. KENNEDY. That you were paying this money out to him?

Mr. CONFORTI. Yes, sir.

Mr. KENNEDY. And he was helping your membership find places to live; you say?

Mr. CONFORTI. Places to live, or helping with problems of their real estate, or real estate taxes, or any problems that they had that he might be able to help.

Mr. KENNEDY. Is he an attorney?

Mr. CONFORTI. No, sir. I don't believe he is.

The CHAIRMAN. What does he do besides draw money from the union?

Mr. CONFORTI. He has a real-estate office and insurance.

The CHAIRMAN. Do you give him your insurance?

Mr. CONFORTI. No, sir.

The CHAIRMAN. All right.

Mr. KENNEDY. Did notice go out to your membership that they should get in touch with Mr. Mascarella when they had troubles?

Mr. CONFORTI. Our executive board, shop stewards, in discussions at our meetings, said if any members had any particular problems along those lines, they would.

Mr. KENNEDY. Now, you have another item for \$3,500 for local union 300 to the Mid-West Hotel.

The CHAIRMAN. Let the Chair put these checks in the record. The Chair presents 2 checks, one, July 15, 1954 to Mr. Mascarella, and another one August 1, 1955, and each of them in the amount of \$2,500. I will ask you to examine them and identify them.

Mr. CONFORTI. Yes, sir; I identify them.

The CHAIRMAN. They may be made exhibits Nos. 11 and 11-A for reference.

(The documents referred to were marked "Exhibits Nos. 11 and 11-A" for reference and will be found in the appendix on pp. 3139-3142.)

Mr. KENNEDY. I present to you another check for \$3,500. That is to Mid-West Hotel Corp. What was the reason for that payment?

Mr. CONFORTI. That was to pay the balance of rent that was due on our lease, when we moved from that office to our present location.

The CHAIRMAN. This check is dated April 10, 1956, in the amount of \$3,500 and made payable to Mid-West Hotel Corp., and will you identify it? Will you tell us what it was for?

(A document was handed to the witness.)

Mr. CONFORTI. Yes, sir; this \$3,500 check was to pay the balance of the rent that we owed on our lease for our office space.

The CHAIRMAN. That will be exhibit No. 12 for reference.

(The document referred to was marked "Exhibit No. 12" for reference and will be found in the appendix on pp. 3143-3144.)

Mr. KENNEDY. Did you have a cancellation of the lease at that time, that you paid the \$3,500?

Mr. CONFORTI. I don't recall that we did; no, sir. The reason was that we had the privilege of subletting it or if it was rented before the lease expired, part of that money would be returned.

Mr. KENNEDY. Why would you pay the \$3,500 and not have any document for it?

Mr. CONFORTI. Well, it was to pay what our obligation was, before we merged into the other local union.

Mr. KENNEDY. You are paying the lease for another year and a half and you did not have any document at all?

Mr. CONFORTI. None that I could recall.

The CHAIRMAN. Do I understand this was paying a year and a half in advance; you were moving out and you were canceling your lease?

Mr. CONFORTI. The lease had approximately a year and a half to run.

The CHAIRMAN. So you just paid it all at one time?

Mr. CONFORTI. Yes, sir.

The CHAIRMAN. You previously had been paying it by the month?

Mr. CONFORTI. Yes, sir; while we were occupying the quarters.

The CHAIRMAN. When you moved out, you paid it all?

Mr. CONFORTI. Yes.

The CHAIRMAN. Was the building ever rented during that period of time?

Mr. CONFORTI. No, sir; although it had been advertised for rent, it was not rented.

The CHAIRMAN. It was not rented for a year and a half?

Mr. CONFORTI. As far as I know, today it is not rented.

The CHAIRMAN. All right.

Mr. KENNEDY. The lease says it was canceled in February 5, 1957, and why was it canceled in February of 1957 when you paid the money and canceled the lease back in 1956?

Mr. CONFORTI. Excuse me.

(The witness conferred with his counsel.)

Mr. CONFORTI. There still was the restoring of the office space to the condition it was in before they remodeled it for us and the lease was not canceled until the whole thing had been settled and that came about then, later in February. I think that is about it, when we paid them \$750, I believe, plus leaving a room conditioner in, which we had installed, and cut holes in the wall and so on.

That \$750 plus those room conditioners was accepted for restoring the place.

Mr. KENNEDY. On January 2, this document reading January 2, 1957, says "in consideration of \$750 and other good and valuable considerations we are canceling lease dated July 1, 1955, between the Mid-West Hotel Corp. and the Biscuit, Cracker and Candy Workers Union, Local 300," signed "Conforti," and "Alexander Fleck."

Why would you sign a document like that in 1957 and you would not have done that or taken that step back in 1956 when you paid the \$3,500?

Mr. CONFORTI. Well, we didn't know what would have to be paid for restoring the building back to its original condition. Also, we thought the place would be rented.

Mr. KENNEDY. Do you know if Mr. Fleck ever entered this in the books, the \$3,500? Did he ever enter that in the books of the Mid-West Hotel Corp.?

Mr. CONFORTI. I wouldn't know that.

Mr. KENNEDY. You have no idea?

Mr. CONFORTI. No.

Mr. KENNEDY. Did you have any understanding with him about that \$3,500?

Mr. CONFORTI. The understanding was that it would be kept and any money that was left over would be returned.

Mr. KENNEDY. Were you to receive personally any of that money?

Mr. CONFORTI. No, sir.

Mr. KENNEDY. Did you receive any of it?

Mr. CONFORTI. No, I did not.

Mr. KENNEDY. Did you receive \$3,000 in November of 1953 from the local union, local 300?

(The witness conferred with his counsel.)

Mr. CONFORTI. I received a check for \$3,000, and I am not sure of the date.

Mr. KENNEDY. What was the purpose of that check?

Mr. CONFORTI. That was to pay me for automobile expenses or depreciation and repairs and so on, for the years when I started the work for the local union, which I did not receive.

Mr. KENNEDY. Now, had you been taking depreciation and expenses on your income-tax return prior to that time?

Mr. CONFORTI. Excuse me.

(The witness conferred with his counsel.)

Mr. CONFORTI. I deducted automobile depreciation in 1952. However, there was none in 1949 or 1950 or 1951, as I recall.

Mr. KENNEDY. But you did take it in 1952 and 1953?

Mr. CONFORTI. Yes, I did.

Mr. KENNEDY. Did you declare the \$3,000 that you had received in your income tax in 1953?

Mr. CONFORTI. No, I don't think that I did, the reason being that it would have been for the past years and not the current year, 1953.

Mr. KENNEDY. As I understand your testimony, you had taken depreciation and expenses in 1952 and 1953, and then you received \$3,000 in November of 1953.

Mr. CONFORTI. I am not sure of the date.

Mr. KENNEDY. Excuse me. It is in February of 1953. You did not declare that \$3,000 on your income-tax return?

Mr. CONFORTI. No, sir. As I stated, the reason—

Mr. KENNEDY. You received another \$3,200 in 1954—\$3,230 in 1954, did you not?

Mr. CONFORTI. No, I didn't receive that in cash. I think you have reference to the local union. I traded in my automobile and they paid the difference between my used car and the price of the new car.

Mr. KENNEDY. Did you declare that on your income tax?

Mr. CONFORTI. No, sir, I don't believe I did.

Mr. KENNEDY. Do you feel now that you should have declared those matters on your income tax?

Mr. CONFORTI. Well—

(The witness conferred with his counsel.)

Mr. CONFORTI. The \$3,000 should have been filed in the amended return and then offset by expenses that I would have incurred or did incur from December 1948 to the time involved.

Mr. KENNEDY. What about the other \$3,200. Should you have declared that?

Mr. CONFORTI. No, sir, I did not declare it.

Mr. KENNEDY. Do you recognize now that you should have declared it?

(The witness conferred with his counsel.)

Mr. CONFORTI. I should have declared it.

Mr. KENNEDY. Now, during this period of time, you had been taking your insurance and for your automobile, and it was being paid for, was it not?

Mr. CONFORTI. I don't recall when it was paid.

Mr. KENNEDY. The records show that the union was paying for the insurance of your automobile, Mr. Conforti.

Mr. CONFORTI. Yes, sir, but I don't recall when they started to pay it.

Mr. KENNEDY. At the same time that the union was paying for your automobile, you were taking a deduction in your income-tax return for insurance on your automobile.

Do you recognize that you should not have done that, Mr. Conforti?

Mr. CONFORTI. Yes, sir.

(At this point, Senator McNamara entered the hearing room.)

Mr. CARMELL. Could he explain why he did continue in that practice?

The CHAIRMAN. He may.

Mr. CONFORTI. At the beginning I was paying my own automobile insurance, I am quite sure, and in future returns it was copied from the previous year's onto the following year and subsequent return.

The CHAIRMAN. The Chair wishes to present to you these two checks, one for \$3,000, dated February 17, 1953 and the other of June 23, 1954 in the amount of \$3,230, and I will ask you to identify them.

(The documents were handed to the witness.)

Mr. CONFORTI. Yes, sir, I identify them.

The CHAIRMAN. The \$3,000 check will be made exhibit 13, and the \$3,200 check will be made exhibit No. 13-A.

(The documents referred to were marked "Exhibit Nos. 13 and 13-A" for reference and will be found in the appendix on pp. 3145-3147.)

Mr. KENNEDY. Now, during 1953 you took as expenses on your income-tax return \$361; and in 1954, \$778; and in 1955, \$820; and in 1956, \$655.55. During that period of time you were being reimbursed by the union, were you not, for your expenses?

Mr. CONFORTI. Not for automobile expenses, except for gas and oil. Those were only expenses not reported.

Mr. KENNEDY. What was your arrangement as far as your expenses with the union, Mr. Conforti? Did you receive a flat amount each year or each week?

Mr. CONFORTI. I received a flat amount each week, yes, sir.

Mr. KENNEDY. Now, did you also have expenses that they paid for, your daily expenses if you took trips?

Mr. CONFORTI. If I took trips out of town, yes, sir.

Mr. KENNEDY. Well now, the records show that for your weekly expenses, you received in flat sums, of which there is no verification for, in 1953 you received \$1,953, and on top of that received \$1,947 additional for your other expenses. In 1954, it was \$2,120 you received in flat sums, and on top of that you received \$5,455.78 additional expenses.

In 1955, it was \$2,080 as a flat sum, and you received on top of that \$5,235.09.

In 1956, \$2,905 as a flat sum, and you received on top of that, \$6,279.75, making a total of your expenses during that 4-year period of \$28,038.37.

Did you declare any of those expenses in your income tax?

Mr. CARMELL. I would like to ask a question here if I may. What is the point of this inquiry, as to this point on his expenses? As to the relation to his declaring it on his income tax?

The CHAIRMAN. Well, I think we want to find out whether this money was simply being taken without authority or for purposes not related to the union, and if they were actual expenses they should have been declared.

Mr. CARMELL. Sir, I certainly appreciate that fact, but as yet I have not heard any question of the fact that none of these expenses were either approved or authorized. As a matter of fact, sir, he has stated that he received a flat sum, which was his authorized expense account per week.

The CHAIRMAN. I would assume that is correct.

Mr. CARMELL. I cannot see the relevancy at this point of asking whether he declared it on his income tax, sir.

The CHAIRMAN. Well, the extra expense is a question of whether he declared it or not. If it was actual expense it should be counted for. If it is simply a way of getting additional income and no expenditures were actually made, then it is income.

Would you agree?

Mr. CARMELL. I agree wholeheartedly, and if the line of questioning would be, with all respect to the Chair, as to whether he incurred any expenses or as to whether they were authorized expenses, I can certainly see the pertinency. But to use the basis of the income-tax records, we are here to make a voluntary disclosure, and Mr. Conforti will talk about everything.

The CHAIRMAN. You have been helpful and we appreciate it.

Mr. CARMELL. I am at a loss to understand the basis of the questioning about the income-tax records, and why there is not the question of the authorization or legitimacy of the expenses.

The CHAIRMAN. What is the question? Ask the question again.

Mr. KENNEDY. The question is, whether he received certain expenses for this 3- or 4-year period in lump sums. Beyond that he received expenses for whatever bills he had weekly, whether he traveled or whatever they might be. The question was whether he declared any of these expenses or any of these matters that I am now discussing on his income tax return. I think that goes to his reliability or his veracity as a head of the biggest local union of the bakers in the United States.

The CHAIRMAN. The question I wanted to determine is this: Are there any vouchers for this extraordinary expense?

Mr. KENNEDY. There are some vouchers for the second figures I read, Mr. Chairman, and there are no vouchers for the total of \$9,020.

Mr. CARMELL. Is that part of the expense allowance he got per week, the \$9,040?

Mr. KENNEDY. Yes.

Mr. CARMELL. Has counsel examined the minutes to show the authorization of \$65 a week in 1956?

Mr. KENNEDY. Yes, but there are no vouchers for those expenses.

Mr. CARMELL. You have found in the minutes the authorization to give him \$65 a week.

Mr. KENNEDY. That is correct.

The CHAIRMAN. You may have an authorization to give him \$65 a week for expenses, and he draws the \$65. All right, if he doesn't expend it for union purposes, it is income.

Mr. CARMELL. Is the point whether he declared it on his income tax, or whether he used it for the purposes that were given him?

The CHAIRMAN. That is what we want to find out, and we want to find out what he did spend it for.

Mr. CARMELL. That is all right.

Mr. KENNEDY. What did you spend the \$9,000 for?

Mr. CONFORTI. Does that include hotels and transportation?

Mr. KENNEDY. No; that is the amount of the \$28,000.

Mr. CONFORTI. That would be my weekly flat sum, the \$65.

The CHAIRMAN. That is the amount that is authorized?

Mr. KENNEDY. No; he received authorized \$9,020, and beyond that he had a total of \$28,038.37 in expenses.

Mr. CONFORTI. That would include transportation expense.

Mr. KENNEDY. That is correct, and your hotel, and you put in a voucher for \$300 to take a trip or any of those type of things. I am dismissing that.

Mr. CONFORTI. They were for meetings and conventions or conferences, or business meetings, of all kinds, that I would be required to attend. In the city and out of the city, I don't have a 100 percent up-to-date itinerary here.

Mr. KENNEDY. There are some vouchers for \$19,018.37. However, it is not complete. But there are some vouchers for that amount of money. There are no vouchers for the \$9,020.

Mr. CONFORTI. What I meant was, I don't have a diary of every place I went to.

Mr. CARMELL. The \$9,020, that is the amount that he was getting per week, a flat sum.

Mr. KENNEDY. That is correct.

Mr. CARMELL. Am I correct, that your question is, where did this money go?

Mr. KENNEDY. Well, he did not declare it as income, and so therefore it must have been some kind of expenses, and there are no vouchers in the union on those expenses.

Mr. CARMELL. You are now asking for him to say where this money went?

Mr. KENNEDY. Yes, as it was not declared on the income tax.

Mr. CONFORTI. Well, that was used locally in the city, at our meetings. We have membership meetings and any money that might be expended at membership meetings would come out of that.

Mr. KENNEDY. What sort of money would that be? I still don't understand.

Mr. CONFORTI. My flat \$65 a week, you mean?

Mr. KENNEDY. What would you be spending it for?

Mr. CONFORTI. For lunches, or drinks at the bar.

Mr. KENNEDY. But you were charging all of that, and that is part of the \$19,018.37. Every time you parked your car, you were charging the union for it?

Mr. CONFORTI. Not always.

Mr. KENNEDY. I will show you these vouchers, Mr. Conforti, and every time you did anything with your automobile, you stored your car, and you charged the union for that, and none of these things I am objecting to, and I am just raising the question that on this other figure, you have no vouchers at all for it. Any time you submitted a voucher, it was taken out of this larger figure.

Mr. CONFORTI. Any vouchers that were submitted for entertainment like that, in the city of Chicago, where I had received additional reimbursement would be when we had visitors from out of town, from our international union, or from other local unions, and things like that.

But any moneys that were spent picking up a tab for members after meetings, and things like that, there was no voucher or request submitted for reimbursement. That money came out of that weekly expense allowance, where there are no vouchers, and also for entertainment at home.

Mr. KENNEDY. I notice that you also received \$550 from local 100 while you were working for local 300. Did you declare that on your income tax?

Mr. CONFORTI. No, sir; I don't believe I did.

Mr. KENNEDY. That was in 1955, and 1956 you received another \$550. That was from local 100 while you were working for local 300. Did you discuss that on your income tax?

Mr. CONFORTI. It was twice, you mean?

Mr. KENNEDY. Yes; a total of \$1,100.

Mr. CONFORTI. No, sir; I didn't.

The CHAIRMAN. Was that income or expenses?

Mr. CONFORTI. That was given to me as expenses, for work and expenses that I incurred for working or doing work for local 100 while they were under trusteeship, and work that was in addition to my own, and expenses incurred.

The CHAIRMAN. Did you submit vouchers for the expense that you incurred to that union?

Mr. CONFORTI. No; it was just a flat amount, that is all. I didn't submit a voucher. That was for the whole time.

The CHAIRMAN. Would that be income or expenses?

Mr. CONFORTI. Well, I thought it was expenses.

The CHAIRMAN. You thought it was expenses, and did you spend it for the union's purpose?

Mr. CONFORTI. I guess I spent some of it, and I don't know, and I don't have the records of how much was spent.

The CHAIRMAN. You just accepted lump sums for your work and expenses?

Mr. CONFORTI. Yes, sir. There was never at any time any willful attempt to avoid payment of taxes.

The CHAIRMAN. There was never what?

Mr. CONFORTI. Any willful attempt on my part to avoid payment of taxes.

The CHAIRMAN. I am not challenging that, and we do have a very poor, and inadequate and complicated and confusing unexplainable system in this union of finances, and you agree with that, do you not?

Mr. CONFORTI. Yes, sir.

The CHAIRMAN. All right. proceed.

Mr. KENNEDY. Well, it appears anyway, Mr. Conforti, that in 1953 there was a \$3,000 item that you should have declared though you could have taken perhaps some expenses regarding that, and there was an item of \$3,200.30 in 1954 that should have been declared; an item of \$550 in 1955; an item of \$550 in 1956; and also during that period of time you had expenses amounting to \$9,020 which you have no verification for at all.

In addition to that, you were taking as expenses insurance payments on your income tax, while the union was paying for it.

Mr. CONFORTI. May I just point out that, on our registration forms that we have to submit to the United States Department of Labor, our expense allowances were reported on the forms for all of the years.

Mr. KENNEDY. We have an affidavit from your accountant, Mr. John Barles, and it states in there that you told him that you were paying for this automobile back in 1954, and that you had paid for the full amount of this automobile. That is why it was listed in your income tax return as it was.

Mr. CONFORTI. I may have, and I don't recall.

Mr. KENNEDY. Did you also have in your union—take some steps toward having Mr. Stuart or getting Mr. Stuart a car, an automobile?

Mr. CONFORTI. Yes.

Mr. KENNEDY. Would you tell the committee about that?

Mr. CONFORTI. Yes, sir. That was at the termination of the trusteeship in 1953, when we purchased an automobile for Mr. Stuart.

Mr. KENNEDY. What kind of an automobile did you purchase at that time?

Mr. CONFORTI. It was a Cadillac automobile.

Mr. KENNEDY. In 1953?

Mr. CONFORTI. Yes, sir.

Mr. KENNEDY. Was that approved?

Mr. CONFORTI. Yes, sir; it was.

Mr. KENNEDY. That was approved?

Mr. CONFORTI. Yes. It was a 1954 Cadillac automobile, but it was ordered in 1953.

Mr. KENNEDY. What about Mr. Cross? Did you take any steps toward getting Mr. Cross an automobile?

Mr. CONFORTI. Yes; we did.

Mr. KENNEDY. What did you do on that?

Mr. CONFORTI. Well, we had discussed an automobile for Mr. Cross in 1955, I believe.

Mr. KENNEDY. Just on that, had it been discussed with the executive board or the membership that you were buying Mr. Stuart a Cadillac? I am not questioning whether he should have gotten a Cadillac

or not, but just on the question of whether the executive board knew about it. Had it actually been discussed that you were buying him an automobile?

Mr. CONFORTI. I am quite sure it was.

Mr. KENNEDY. You don't think perhaps you just discussed the fact you were going to get him a gift?

Mr. CONFORTI. I don't think so, because the best recollection I had was that we had a meeting, one of these dinner meetings that we have at Christmastime, where the executive board has a dinner meeting and they are given these Christmas gifts we talked about before; and, if I am not mistaken, I made a token presentation of the automobile keys to Mr. Stuart at that time. That is the best I can recall, although the car had not been delivered as yet.

Mr. KENNEDY. We have an affidavit from Charles Bell. Do you know Charles Bell?

Mr. CONFORTI. Yes, sir.

Mr. KENNEDY. Was he on the executive board, local 300?

Mr. CONFORTI. I believe he was.

Mr. KENNEDY. That was the union that gave the car?

Mr. CONFORTI. Yes, sir.

Mr. KENNEDY. The first Cadillac?

Mr. CONFORTI. Yes, sir.

Mr. KENNEDY. May I read this affidavit?

The CHAIRMAN. I will read this affidavit for the purpose of asking you the question if the information contained in it is true, or what part of it is within your knowledge and true, or what part of it is untrue.

Charles Bell, being duly sworn, deposes and says:

I make this sworn deposition of my own free will without promise of favor or immunity. This affidavit is made at the request of George M. Kopecky, known to me to be an investigator of the United States Senate Select Committee on Improper Activities in the Labor or Management Field.

I am aware that this sworn deposition is to be used at a hearing before the United States Senate Select Committee on Improper Activities in the Labor or Management Field.

I, Charles Bell, 6614 Kenwood, Chicago, Ill., furnish the following voluntary statement to George M. Kopecky, of the United States Senate Select Committee:

I have been a member in good standing of the Bakery and Confectionery Workers Union Local 300 and Local 1 since about November 1947. For the period from approximately August 1953 through December 1955 I was a member of the executive board of local union 300.

Is that correct?

Mr. CONFORTI. I believe so; yes.

The CHAIRMAN (reading):

I have examined the minutes of local 300 for the meeting dated October 5, 1953, and reviewed that part which indicates that arrangements were to be made for presenting a suitable gift to George L. Stuart from local 300 for his efforts during the period he was trustee of local 300. To the best of my knowledge, it was agreed a small personal gift was to be given to him, and I am able to recall that at a later meeting, which was close to the Christmas meeting in 1953, the gift was passed around, and this was either a clip of some sort or small piece of wearing apparel.

Is there any truth in that statement?

Mr. CONFORTI. No, sir.

The CHAIRMAN. Were you at those meetings?

Mr. CONFORTI. Yes, sir.

The CHAIRMAN. You state that is not true?

Mr. CONFORTI. No, sir. He might be confused with other meetings. I wouldn't say that he deliberately would certify to that, but he may be confused.

The CHAIRMAN. He said:

At the October 5, 1953, meeting, the minutes for the meeting dated October 5, 1953, and reviewed—

he said he examined the minutes—

and reviewed that part which indicates that arrangements were to be made for presenting a suitable gift to George L. Stuart from local union 300 for his efforts during the period he was trustee of local 300.

Do you remember that meeting?

Mr. CONFORTI. Yes. Yes, sir.

The CHAIRMAN. October 5, 1953?

Mr. CONFORTI. Well, I don't remember the date, but I remember the meeting.

The CHAIRMAN. Do you think you attended that meeting?

Mr. CONFORTI. I am quite sure I did.

The CHAIRMAN. At that time, it was discussed that it would be proper to give him an appropriate gift?

Mr. CONFORTI. Yes, sir.

The CHAIRMAN. You do recall that?

Mr. CONFORTI. I am quite sure.

The CHAIRMAN. He goes further and says:

To the best of my knowledge, it was agreed a small personal gift was to be given to him.

Do you recall that?

Mr. CONFORTI. A small personal gift?

The CHAIRMAN. That is what he says here.

Mr. CONFORTI. Yes, sir, I understand, but that is not what it was.

The CHAIRMAN. You say that is not correct?

Mr. CONFORTI. Yes, sir.

The CHAIRMAN. What did you discuss at that meeting that you would give him?

Mr. CONFORTI. I believe it was discussed to get him a suitable gift in occasions or situations similar to that, and what has been a normal practice. It was left to the officers to decide what a normal occurrence would be.

The CHAIRMAN. That is your recollection of it?

Mr. CONFORTI. Yes, sir.

The CHAIRMAN. Then he states further:

And I am able to recall—

that is his sworn statement—

and I am able to recall that at a later meeting, which was close to the Christmas meeting in 1953, the gift was passed around, and this was either a clip of some sort or some small piece of wearing apparel.

Mr. CONFORTI. That is not so.

The CHAIRMAN. That is not true. Could it be at that meeting you passed around the keys to a Cadillac and said, "We are giving him a Cadillac. These are the keys to it"?

Mr. CONFORTI. I can't recall, Senator. It was an envelope that I presented to him, a token presentation because the car had not yet been delivered.

The CHAIRMAN. Let me ask you, trying to get the facts, this question: At that time, when you gave him the keys as a token representing the car that he was to get, did you discuss then that he was getting a Cadillac automobile before all of the members?

Mr. CONFORTI. Yes, sir; I am quite sure it was discussed.

The CHAIRMAN. How can you imagine, then, that Mr. Bell—I don't know who is being truthful now—how can you imagine that he thought it was a little gift of some kind?

Mr. CONFORTI. Because there were 1 or 2 meetings where there were gifts such as he mentioned, that were passed around to the executive board to see.

The CHAIRMAN. Did you pass around the keys or anything on a clip that night, and say, "This is what we are going to give him"?

Mr. CONFORTI. I don't recall.

The CHAIRMAN. You don't recall. The question is: Factually, did the members that pay the dues know that you were giving a Cadillac automobile to this trustee?

Mr. CONFORTI. I am sure they did.

The CHAIRMAN. You are sure they did?

Mr. CONFORTI. I am quite positive.

The CHAIRMAN. All right.

Senator McNAMARA. May I ask a question?

The CHAIRMAN. Yes, Senator McNamara.

Senator McNAMARA. You indicate this gift was presented at a dinner meeting around Christmas time?

Mr. CONFORTI. Yes, sir.

Senator McNAMARA. About how many people were present?

Mr. CONFORTI. About 40 people or thereabouts, our executive board meeting.

Senator McNAMARA. It was a small dinner? It wasn't an ordinary annual banquet?

Mr. CONFORTI. It was the annual dinner for the executive board.

Senator McNAMARA. For the executive board and other officers, I presume; the wives, and such?

Mr. CONFORTI. No, no wives.

Senator McNAMARA. It was not a public affair, but sort of a private dinner?

Mr. CONFORTI. Yes, sir.

Senator McNAMARA. That is what I wanted to determine. Thank you.

The CHAIRMAN. We have another affidavit.

Do you know Roy DeFrank?

Mr. CONFORTI. Yes, sir.

The CHAIRMAN. We have an affidavit from him, stating in part as follows, and I will omit the part not pertinent:

I have been a member of the Bakery and Confectionery Workers International Union, Local Union 300 and Local Union 1 since about 1946. From about 1951 to December 1955 I was a member of the executive board of local union 300.

Do you remember him as such; as a member of the Board?

Mr. CONFORTI. The exact dates I couldn't recall, but he was a member of the board; yes, sir.

The CHAIRMAN (reading):

For the past 27 years I have been an employee of the National Biscuit Co. I have examined the minutes of the meeting of local union 300 for the date October 5, 1953, and have reviewed that part which says that a suitable gift was to be given to George Stuart who had been the trustee of local 300 for 5 years, as a token of appreciation for the work he has done for the local. I am not able to recall exactly what was decided upon as a gift, but it was not the intention to give him a gift of an automobile nor anything as expensive as that.

Could you make any comment on that?

Mr. CONFORTI. Excuse me.

(The witness conferred with his counsel.)

Mr. CONFORTI. Sir, the only thing I can say is that it may have been his own personal thinking or his own personal opinion.

The CHAIRMAN. Have you examined the minutes of that meeting?

Mr. CONFORTI. Well, I haven't seen them in quite some time. I may have looked at them. I don't recall them.

The CHAIRMAN. Are you the secretary? You were the Secretary at that time?

Mr. CONFORTI. Recording secretary, too; yes, sir.

The CHAIRMAN. You would have recorded what transpired at the meeting, would you not?

Mr. CONFORTI. Yes, sir; I believe so.

The CHAIRMAN. Would you recognize your handwriting?

Mr. CONFORTI. I think so.

The CHAIRMAN. I hand you here the minutes of the meeting, what purports to be the minutes of the meeting of October 5, 1953, about which we have been talking, possibly in your own handwriting. I wish you would examine it and state whether you identify it and if the minutes are in your own handwriting.

(A document was handed to the witness.)

(The witness conferred with his counsel.)

Mr. CONFORTI. Yes, sir. That is my handwriting.

The CHAIRMAN. Are those the minutes of the meeting of October 5?

Mr. CONFORTI. Yes, sir; I believe they are.

The CHAIRMAN. Would you read them for us?

Mr. CONFORTI (reading):

Also upon motion duly made and seconded it was decided that the local union honor the former trustee, George Stuart, and present him with a suitable gift as our token of appreciation for the magnificent job he performed in raising the local union to the position it now maintains. Brother Stuart devoted many long hours during the 5 years' trusteeship to our membership and made a great many personal sacrifices. In addition, his home life suffered, and no reward would be too great.

I don't understand how some of those people who give you those affidavits would think this would be a trinket, or some personal thing.

The CHAIRMAN. That document may be made exhibit No. 14.

(The document referred to was marked exhibit No. 14 for reference and will be found in the appendix on p. 3148.)

The CHAIRMAN. From that, you got the impression that he was to be given a Cadillac automobile?

Mr. CONFORTI. Yes. Also for another reason, that generally in a situation like that, when they are honoring an international vice president from a district, they generally have a testimonial dinner, a public dinner, which involves a lot of expense, and a lot of work and effort to make a big affair. There is the expense of the dinner and so on and so forth.

We felt, to eliminate all of that, and the other expenses, just to purchase the automobile and present it to him.

The CHAIRMAN. All right, Counsel.

Mr. KENNEDY. You were talking about an automobile for Mr. Stuart. Was there also a discussion about getting an automobile for Mr. Cross?

Mr. CONFORTI. Yes, sir. That was later in 1955, I believe.

Mr. KENNEDY. Was that in December 1955?

Mr. CONFORTI. I believe that is correct; yes.

Mr. KENNEDY. What did you discuss about that? Why were you going to get an automobile for Mr. Cross at that time?

Mr. CONFORTI. Well, there never had been a testimonial dinner from our district for President Cross.

Mr. KENNEDY. So what happened?

Mr. CONFORTI. It was pretty much the same thing. Instead of arranging for a testimonial dinner, just to purchase him an automobile.

Mr. KENNEDY. Was it decided at the meeting to purchase him an automobile?

Mr. CONFORTI. I thought it was, but it could have been just the same discussion on a suitable gift.

Mr. KENNEDY. You stated in the minutes of that meeting on December 8, 1955, that it was decided that the testimonial dinner would be too involved and something complicated to arrange, and there would be much expense. Instead of a testimonial dinner, local 300 would consult with local 100 and arrange for a suitable gift to the international president. It was suggested that an automobile be purchased, inasmuch as it seemed that that was the type of gift that most ought to be given in honoring an individual among organizations. Then it goes on to say that local 100 will share equally in the cost.

This was never attested to.

Can you tell the committee why it wasn't attested to? It was signed by "A. Conforti, Secretary," but it was not attested to. What was the reason for that?

Mr. CONFORTI. I don't recall, unless the following meeting was the meeting we had, a dinner, and it was just overlooked. The minutes weren't written the same day of the meeting.

Mr. KENNEDY. I understand that, but would you tell the committee why this was not attested to? Did you go to the president and ask him to attest to it, and didn't he refuse?

Mr. CONFORTI. I believe I did, the following meeting.

Mr. KENNEDY. Didn't he refuse to attest to it?

Mr. CONFORTI. I believe he did; yes.

Mr. KENNEDY. That is the reason; is it not?

Mr. CONFORTI. Well, yes, I guess.

Mr. KENNEDY. Was it not the reason that he refused to attest to it because there was no discussion, or he remembered no discussion of an automobile, getting an automobile, for Mr. Cross at that meeting?

Mr. CONFORTI. I believe, yes; that is what he said.

Mr. KENNEDY. Do you say now that these minutes are accurate and true?

Mr. CONFORTI. I was sure that the automobile was actually mentioned at the meeting. I could have been confused, because it was discussed with Mr. Stuart, both prior to the meeting and after the meeting. I thought when the minutes were written up the following month, I was sure that it had been mentioned.

Mr. KENNEDY. We have some similar affidavits that we can put into the record, again, on that, to say that this was never discussed at this meeting either, that an automobile was never discussed.

Mr. CONFORTI. I don't doubt that you have.

Mr. CARMELL. Counsel, we will stipulate that these affidavits would come in. However, do any of these affidavits state that there was no discussion of a suitable gift at that time?

Mr. KENNEDY. No, I do not believe so. There just was never a discussion of getting an automobile for Mr. Cross. But you have that written in the minutes. Can you tell the committee why you put it in the minutes if it was not discussed, Mr. Conforti?

Mr. CONFORTI. I was quite sure that they specifically had mentioned automobile at the meeting. I could have been confused. There was a discussion with Mr. Stuart about it before the meeting and after the meeting, about the automobile.

Mr. KENNEDY. That automobile was ultimately purchased, was it not? Purchased for Mr. Cross? Do you know who ended up owning that automobile?

Mr. CONFORTI. Well, only from, I guess, what I read in the papers, or the charges that have been made by certain international officers. At the time the checks were written, they were written expressly for the purpose of purchasing a car for President Cross.

The CHAIRMAN. Senator Goldwater?

Senator GOLDWATER. Mr. Conforti, I have a few questions along a different line.

Senator McNAMARA. Will you yield on the same line before you go into that, Senator Goldwater?

Senator GOLDWATER. I will be glad to.

Senator McNAMARA. In your judgment now, would a suitable gift be an automobile, under the circumstances?

Mr. CONFORTI. Well, do you mean on the same situation, for international vice president or president?

Senator McNAMARA. Yes.

Mr. CONFORTI. Yes, I think so.

Senator McNAMARA. All right.

Senator GOLDWATER. Mr. Conforti, I have a check here, signed by you, made out to the AFL Labor Committee for Daley dated January 7, 1955, for \$2,500. Who decided to give the AFL Labor Committee for Daley that check?

Mr. CONFORTI. Our executive board, I am quite sure.

Senator GOLDWATER. Pardon?

Mr. CONFORTI. Our executive board, our local executive board.

Senator GOLDWATER. Would the decision be confined to the executive board?

Mr. CONFORTI. Yes, sir.

Senator GOLDWATER. And not to the membership?

Mr. CONFORTI. Yes, sir.

Senator GOLDWATER. Was this \$2,500 from the general fund?

Mr. CONFORTI. Yes, sir. We only have one fund.

Senator GOLDWATER. You only have one fund?

I realize that the law does not prohibit this, so it is not illegal in the sense that the law would prohibit it, but do you feel that it is morally right for a labor union to take money out of the general fund, that is contributed by Republicans and Democrats alike, and give it only to one party, whether it be the Democrat or the Republican candidate? Is it morally right?

Mr. CONFORTI. I don't know. I really am not——

Senator GOLDWATER. Are you a Democrat or a Republican?

Mr. CONFORTI. I am a Democrat.

Senator GOLDWATER. Well, I assumed that you were, and that is no reflection on the Democrat Party or you.

Mr. CONFORTI. Thank you.

Senator GOLDWATER. Would you feel right if the dues that you paid your union as a Democrat were used to try to defeat a candidate that you were going out and back yourself?

Mr. CONFORTI. Putting it that way, I wouldn't feel right.

Senator GOLDWATER. That is the whole basis of this argument that some of us have with union spending in politics. You, yourself, might go out and work your head off to get Mayor Daley elected, which you certainly have a right to do. You might even give of your own money to him. But you would not like to see your own union go out and try to defeat your Democrat candidate for mayor, would you?

Mr. CONFORTI. Well, no, sir.

Senator GOLDWATER. That is, using your own money.

Mr. CONFORTI. I would like to point out that it was a drive on behalf of all of labor in the city of Chicago, and we just participated as the bakers union.

Senator GOLDWATER. I realize that.

Mind you, I am only critical of the moral aspects of this thing because, unfortunately, as of now the law only prevents union activity at the Federal level, and this is at the local level, and there is nothing mentioned in the law about it.

Let me ask you this question: Do you contribute to the international union for political purposes?

Mr. CONFORTI. No; I don't believe we do; no, sir. We just pay our monthly per capita tax and moneys for new members and supplies, and so on.

Senator GOLDWATER. The international never comes to you and asks for money for a political campaign?

Mr. CONFORTI. No, sir.

Senator GOLDWATER. To your recollection, have you, since you have been in the capacity that you are in now, made any other contributions to other political campaigns?

Mr. CONFORTI. I don't recall any at all.

Senator GOLDWATER. I am very thankful to you for the testimony that you have given.

I remember when Mr. Brewster was here from the teamsters, when he stopped to think about the moral aspects of using dues money for politics, he, himself, said he thought he had never looked at it in that light and would have to think about it.

I intend to interrogate all executives of labor unions who come here on that point and find out their feelings.

I am happy to see that you, as the head of a large union, have that basic feeling against immorality of this practice. I thank you for your testimony.

The CHAIRMAN. Are there any other questions?

If not, Mr. Conforti, you may stand aside for the present.

Call the next witness.

Mr. KENNEDY. Mr. Chairman, I would like to have a summary put in about the purchase of certain automobiles. We have a member of the staff, Mr. Kopecky, who will testify on that.

The CHAIRMAN. Mr. Kopecky has already been sworn.

You may interrogate him about it.

Mr. CARMELL. Mr. Chairman, I would like to ask this question at the present moment: This summary of testimony, if there is anything that involves Mr. Conforti, will you give us the opportunity to come back on?

The CHAIRMAN. I certainly shall, sir. We have a rule in this committee that if anyone is reflected upon, or thinks he is, he has the opportunity to testify.

TESTIMONY OF GEORGE M. KOPECKY—Resumed

Mr. KENNEDY. Mr. Chairman, I feel that the car transaction is a little complicated and there are a number of different automobiles involved. Through Mr. Kopecky's testimony, we can clarify the record.

The first automobile that was purchased was purchased for Mr. Stuart; is that correct; back in 1954?

Mr. KOPECKY. Yes, sir; that is right.

The CHAIRMAN. You have examined all of those records; have you, Mr. Kopecky?

Mr. KOPECKY. Yes, Mr. Chairman, I have.

Mr. KENNEDY. There was a Cadillac automobile purchased in 1954 for Mr. Stuart; is that correct?

Mr. KOPECKY. That is correct; yes, sir.

Mr. KENNEDY. We are interested mainly in the question of whether it was an authorized purchase or whether it was done through subterfuge, not on the question of whether Mr. Stuart should have a Cadillac, but just on the question of whether these purchases were authorized.

In 1954, there was a Cadillac purchased, and that was a Cadillac purchased for Mr. George Stuart; is that correct?

Mr. KOPECKY. Yes, sir.

Mr. KENNEDY. According to the records and according to the testimony of Mr. Conforti, although a suitable gift was authorized, there was no mention of an automobile; is that correct?

Mr. KOPECKY. Yes.

Mr. KENNEDY. In 1955, there was another automobile purchased. What was the total for the Cadillac?

Mr. KOPECKY. The total was \$6,515.15.

Mr. KENNEDY. In 1955, what automobiles were purchased at that time?

Mr. KOPECKY. In 1955 there was a 1955 Buick automobile which was purchased for \$2,396.80, for which the union was reimbursed many months later a total of \$1,250, resulting in a net loss of \$1,146.80.

Mr. KENNEDY. Would you state the figures slower?

Just give us the total loss to the union on the Buick.

Mr. KOPECKY. On May 24, 1955, a 1955 Buick was purchased for a net loss to the union of \$1,146.80.

Mr. KENNEDY. Going through the records of the union—which union is this that we are talking about?

Mr. KOPECKY. Local 100 at the time Mr. Stuart was trustee.

Mr. KENNEDY. Going through the records of local 100, was that payment authorized?

Mr. KOPECKY. He had complete control so he could authorize anything he wanted to do.

Mr. KENNEDY. Was it in the minutes of the executive board?

Mr. KOPECKY. Yes, sir.

Mr. KENNEDY. So the Buick was authorized, the purchase of it?

Mr. KOPECKY. Yes, sir.

Mr. KENNEDY. In 1956, were there any automobiles purchased?

Mr. KOPECKY. There were two automobiles which were entered on the records on December 28.

Mr. KENNEDY. What union are we talking about?

Mr. KOPECKY. We are talking about local union 100.

Mr. KENNEDY. At that period of time, December 1956, was local 100 in trusteeship?

Mr. KOPECKY. 1955?

Mr. KENNEDY. 1955.

Mr. KOPECKY. Yes.

Mr. KENNEDY. Local 100 was in trusteeship?

Mr. KOPECKY. That is right. And at that particular time a check was drawn in the amount of \$13,100.18, which was charged in the records to the Joint Teamsters Council, and was listed under the heading of "Joint organizing expenses." Whether that check ultimately wound up to be a purchase of two Cadillac automobiles for Stuart and for the president of the union, Cross—

Mr. KENNEDY. The date of that check was December 30, 1955?

Mr. KOPECKY. December 30, 1955.

Mr. KENNEDY. And the Cadillacs were actually purchased in 1955, or 1956, these two?

Mr. KOPECKY. These two cars were both purchased on December 28, 1955.

Mr. KENNEDY. Is there any explanation as to why this was charged to a joint organizational drive with the teamsters, as expenses?

Mr. KOPECKY. The only obvious explanation is a subterfuge.

Mr. KENNEDY. What do the records show?

Mr. KOPECKY. The records show that it was charged to joint organization expenses. A further review of the record indicates that the Joint Teamsters Council, to whom this check from the union was made payable, purchased two Cadillac automobiles in the individual names of George Stuart and James Cross.

The CHAIRMAN. Let me see if I understand that.

The check for \$13,100.18, that was made payable to whom?

Mr. KOPECKY. To the Teamsters Joint Council No. 43, Detroit, Mich.

The CHAIRMAN. It was made payable to another labor organization?

Mr. KOPECKY. Yes, sir.

The CHAIRMAN. And is charged as what?

Mr. KOPECKY. Joint organization expenses.

The CHAIRMAN. Joint organization expenses?

Mr. KOPECKY. Yes, sir.

The CHAIRMAN. All right. Then how did the companies that sold the automobiles get the money for the cars?

Mr. KOPECKY. I didn't follow you on that, sir.

The CHAIRMAN. As I understand from this union's records, the money, the \$13,100.18 was paid to another labor organization, the council.

Mr. KOPECKY. That is correct; yes, sir.

The CHAIRMAN. And it was charged to joint organization expenses?

Mr. KOPECKY. That is correct.

The CHAIRMAN. How did the money get to the automobile company to get the car?

Mr. KOPECKY. The Teamsters Joint Council made their checks payable to the Cadillac motor car division.

The CHAIRMAN. So, so far as the records of this union, the bakers union, so far as its records show, this money was paid out for organizational expenses and not for two automobiles?

Mr. KOPECKY. That is correct.

The CHAIRMAN. All right.

Senator GOLDWATER. Could I get something straight in my mind. You say the check was made out to the Cadillac division?

Mr. KOPECKY. No, the check from the bakers union——

Senator GOLDWATER. I am talking about the check from the teamsters council in Detroit.

Mr. KOPECKY. Yes; that is correct. They acted as intermediary.

Senator GOLDWATER. It was made out to the Cadillac division of General Motors?

Mr. KOPECKY. Yes.

Senator GOLDWATER. They bought the cars directly from——

Mr. KOPECKY. From Cadillac motor division.

Senator GOLDWATER. At \$6,500 apiece?

Mr. KOPECKY. \$6,550.09.

Senator GOLDWATER. They did not go through a regular dealer?

Mr. KOPECKY. No, sir.

Senator GOLDWATER. And there was no discount given at the factory?

Mr. KOPECKY. No. The General Motors people indicate that this was a list price.

Senator GOLDWATER. General Motors are dealing around both ends of the corner.

Senator McNAMARA. On that point, do you find by your investigation that the teamsters council in Detroit had a fleet agreement, to buy cars at fleet price?

Mr. KOPECKY. I thought perhaps that existed, and for that reason I contacted the General Motors people and they indicated that there was no discount involved in this particular transaction, that it was a list price.

Senator McNAMARA. Then you do not find that the fleet price was involved in it at all, that this was just the price that anybody could go in off the street, and buy one?

Mr. KOPECKY. Yes, sir.

Senator McNAMARA. When you say it was bought from Cadillac Motor Car Co., does that indicate it was bought from the factory branch, which is the ordinary outlet? Is the address on Cass Avenue, in Detroit?

Mr. KOPECKY. 6001 Cass Avenue.

Senator McNAMARA. Apparently this is quite legitimate, then.

Senator GOLDWATER. It is legitimate, but I am surprised to see a corporation beating its dealers out of a little profit.

Senator McNAMARA. They have a factory branch where anybody can walk in and buy a car. It is not unusual at all. I think that is what the investigation discloses. They have a factory branch that sells cars to anybody who walks in. It is not an unusual transaction, as I see it.

Senator GOLDWATER. I am glad I am not in the automobile business.

Senator McNAMARA. Well, I am sorry I am not.

Mr. KENNEDY. Would you identify the documents for the purchase of the automobile?

Mr. KOPECKY. Yes, sir. In the first instance, we have a supporting voucher for a disbursement drawn on Factory Bakers Union Local No. 100, dated December 30, 1955, in the amount of \$13,100.18, payable to the Teamsters Joint Council No. 43 in payment of joint organization expenses.

The check to cover this voucher is check No. 1237, dated December 30, 1955, payable to the Teamsters Joint Council No. 43, in the amount of \$13,100.18.

The CHAIRMAN. The voucher may be made exhibit 15 and the check in payment of it may be made exhibit 15-A.

(The documents referred to were marked "Exhibit No. 15 and 15-A," for reference and will be found in the appendix on pp. 3149-3150.)

Mr. KOPECKY. In addition a photostat of the daybook page 2421 of the bakers union, under this same date, indicates that this was charged to joint organization expenses in the amount of \$13,100.18.

The CHAIRMAN. That document may be made exhibit 15-B.

(The document referred to was marked "Exhibit 15-B" for reference and will be found in the appendix facing p. 3150.)

Mr. KOPECKY. In addition, we have a photostat of a car invoice, 3504, from the Cadillac motor car division, indicating that a vehicle, a 1956 Cadillac, was sold to James G. Gross for \$6,550.09.

The CHAIRMAN. That may be made exhibit 15-C.

(The document referred to was marked "Exhibit 15-C," for reference and will be found in the appendix on p. 3151.)

Mr. KOPECKY. Here is also a photostat of a car invoice from the Cadillac motor car division, dated December 28, 1955, in the amount of \$6,550.09, indicating a sale to George Stuart.

The CHAIRMAN. That may be made exhibit 15-D.

(The document referred to was marked "Exhibit 15-D," for reference and will be found in the appendix on p. 3152.)

The CHAIRMAN. Are there any further documents?

Mr. KOPECKY. No, sir. That summarizes this particular transaction.

Mr. KENNEDY. After that, the two Cadillacs, one that ended up with Mr. Cross and the other ended up with Mr. Stuart, after that was there the purchase of another automobile?

Mr. KOPECKY. Yes, sir. A few months later there was a purchase of a second Cadillac.

The CHAIRMAN. For whom was that?

Mr. KOPECKY. For Mr. Stuart.

The CHAIRMAN. A few months later?

Mr. KOPECKY. Yes, sir. According to the car invoice number from the Cadillac motorcar division, dated April 30, 1956, No. 1221, it was indicated that the first Cadillac just previously mentioned was traded in for another Cadillac, and in order to effect that sale, 2 checks, both in the amount of \$2,143.67, were drawn, both from the local union 100 of the bakers and from local union 300 of the bakers.

The CHAIRMAN. That was for whom?

Mr. KOPECKY. It is indicated in the records that this was to be a gift to the president of the international union, James Cross. However, the car ultimately winds up being sold to George Stuart.

Mr. KENNEDY. Mr. Kopecky, if that transaction took place so soon after the other Cadillac was purchased, and there was this \$4,200, there must have been some money that was returned.

Mr. KOPECKY. That is true. It indicated, according to the Cadillac motorcar division invoice, that the net cost of the second Cadillac on April 30, 1956, was only \$712.34. Consequently, the balance was refunded to Mr. Stuart by a refund check in the amount of \$3,575.

Mr. KENNEDY. Do we know what Mr. Stuart did with the \$3,575?

Mr. KOPECKY. Yes. This check is endorsed by George Stuart and then endorsed a second time by Hanley Dawson, Chevrolet, Inc. The letter from that particular Chevrolet company indicates that a 1956 Corvette was purchased in the full amount of the refund check.

The CHAIRMAN. Let us get that transaction on the record. Let us start again.

You are trading cars too fast. We will start with this trade-in deal.

Mr. KOPECKY. Yes, sir.

The CHAIRMAN. What is your first document?

Mr. KOPECKY. We will have to go back a little farther than that, Mr. Chairman.

The CHAIRMAN. Let us get it in the record.

Mr. KOPECKY. In the first instance, we have two checks. The first one is No. 1652, dated April 10, 1956, drawn against local union 100 to the Cadillac motorcar division in the amount of \$2,143.67.

The CHAIRMAN. Who is that check payable to?

Mr. KOPECKY. Cadillac motorcar division.

The CHAIRMAN. All right.

Let that check be made exhibit No. 16.

(The document referred to was marked "Exhibit No. 16" for reference and will be found in the appendix on pp. 3153-3154.)

The CHAIRMAN. Who is the check signed by?

Mr. KOPECKY. The check is signed by Peter Carbonera and Anthony J. Conforti.

The CHAIRMAN. Who is it endorsed by?

Mr. KOPECKY. It is endorsed by the General Motors Corp., Cadillac motorcar division.

The CHAIRMAN. That is exhibit No. 16.

Mr. KOPECKY. On the same date, the Bakers Union, Local 300, by check 2661, on April 10, 1956, drew a check in the amount of \$2,143.67 payable to the Cadillac motorcar division. This check was signed by Anthony J. Conforti and Leroy Porter.

It is endorsed by the General Motors Corp., Cadillac motorcar division.

The CHAIRMAN. That may be made exhibit 16-A.

(The document referred to was marked "Exhibit No. 16-A" for reference and will be found in the appendix on pp. 3155-3156.)

Mr. KOPECKY. Both of these checks are entered in the daybook records of the two local unions as a gift to James Cross.

The CHAIRMAN. Listed how?

Mr. KOPECKY. As a gift to James Cross.

The CHAIRMAN. That is the president of the international?

Mr. KOPECKY. Yes, sir.

The CHAIRMAN. Proceed now with the car deals.

Mr. KOPECKY. The total is \$4,287.34. These two checks were turned over to the General Motors Corp., in the payment of a 1956 Cadillac.

The CHAIRMAN. Was that on a trade-in?

Mr. KOPECKY. Yes, sir.

The CHAIRMAN. In other words, we are trading in here the same Cadillac that was bought a few months before?

Mr. KOPECKY. That is correct.

The CHAIRMAN. All right.

Mr. KOPECKY. As a result of the trade-in, this new Cadillac actually cost only \$712.34. That is offset against these two checks totaling \$4,287.34, leaving a refund of \$3,575.

The CHAIRMAN. What was the figure?

Mr. KOPECKY. \$3,575. In this instance, the Cadillac motor division issued a refund check to George Stuart on May 11, 1956.

In turn, Mr. Stuart negotiates this check with the Hanley-Dawson Chevrolet Co. and at that time when he negotiates the refund check, he purchases a 1956 Corvette.

The CHAIRMAN. For what price?

Mr. KOPECKY. For the full amount of the refund, \$3,575.

The CHAIRMAN. In other words, he took the refund of \$3,575 and bought another car?

Mr. KOPECKY. That is correct.

The CHAIRMAN. What had the original car cost that he traded in?

Mr. KOPECKY. \$6,550.09.

The CHAIRMAN. Then he got a total of \$4,287.34?

Mr. KOPECKY. That is correct.

The CHAIRMAN. There was \$700 paid out of that, was there not?

Mr. KOPECKY. That is correct.

The CHAIRMAN. So he got a total then, of—plus \$3,575 even?

Mr. KOPECKY. His total to him is the total of the 3 checks, the \$6,550.09, and the 2 checks going to make up the total of \$4,287.34.

The CHAIRMAN. In other words, the union was out a total of \$10,837.43, am I right?

Mr. KOPECKY. That is correct.

The CHAIRMAN. So within less than 6 months' time the union put up \$10,837.43 for automobiles for whom?

Mr. KOPECKY. In 4 months time, approximately, for George Stuart.

The CHAIRMAN. For George Stuart in 4 months time?

Mr. KOPECKY. That is correct.

Mr. KENNEDY. How much was the other figure for Cross?

Mr. KOPECKY. The other figure of \$6,550.09 represents a 1956 Cadillac going to James Cross.

Mr. KENNEDY. And the \$2,100 that we mentioned earlier and that Mr. Conforti mentioned in his testimony, approximately \$2,100, that each union was to put up, local 100 and local 300, to buy a suitable gift for Mr. Cross, actually went to pay for the cars for Mr. Stuart, is that right?

Mr. KOPECKY. Yes, sir.

Senator GOLDWATER. Who paid the \$712?

Mr. KOPECKY. That came as a result of the trade-in. That is what the car would have cost had one car been traded in for another car and a cash outlay made.

Mr. KENNEDY. That was deducted, Senator, from the \$4,287.34.

Senator GOLDWATER. That is where I got lost.

Mr. KENNEDY. And leaving approximately \$3,500 that was then used to buy the Corvette.

Mr. KOPECKY. That is correct.

Senator McNAMARA. Is that about the going price of a Corvette?

Mr. KOPECKY. I don't have that information.

Senator McNAMARA. It seems to me that a Corvette costs more money, just on the face of it.

The CHAIRMAN. That is a total of \$17,407.52 the union was out for cars for Mr. Stuart and Mr. Cross within 4 months' time?

Mr. KOPECKY. That is correct.

The CHAIRMAN. All right, Counsel.

Mr. KENNEDY. We have finished with Mr. Kopecky.

The CHAIRMAN. All right, Mr. Kopecky, you may stand aside.

Call the next witness.

Mr. KENNEDY. Mr. George Stuart.

The CHAIRMAN. Mr. Stuart, you do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth and nothing but the truth so help you God?

Mr. STUART. I do.

TESTIMONY OF GEORGE STUART, ACCOMPANIED BY HIS COUNSEL, GEORGE CARROLL

The CHAIRMAN. Please state your name, your place of residence and your business or occupation.

Mr. STUART. George Stuart, 6850 Oregon Avenue, District, unemployed.

The CHAIRMAN. What is your former occupation, please, sir?

(The witness conferred with his counsel.)

Mr. STUART. I respectfully decline to answer that question because the answer may tend to incriminate me.

The CHAIRMAN. Mr. Stuart, do you have counsel present to represent you?

Mr. STUART. I do, sir.

The CHAIRMAN. Counsel, will you identify yourself for the record?

Mr. CARROLL. My name is Attorney George Carroll and I am from Norwalk, Conn.

The CHAIRMAN. Thank you.

Mr. Stuart, just before your attorney identified himself for the record, the Chair had asked you what was your occupation and you said you were unemployed.

The Chair then asked you what your former occupation was and you declined to answer. I ask you the question again, Mr. Stuart. Since you are now unemployed, will you state what was your most recent former occupation or employment?

(The witness conferred with his counsel.)

Mr. STUART. I respectfully decline to answer on the same grounds previously.

The CHAIRMAN. On what grounds?

(The witness conferred with his counsel.)

Mr. STUART. On the grounds that the answer may tend to incriminate me.

The CHAIRMAN. Yes, sir. Mr. Stuart, do you honestly believe that if you gave a truthful answer to the question as to what was your most recent occupation or employment that a truthful answer thereto might tend to incriminate you?

Mr. STUART. Yes.

The CHAIRMAN. All right, Mr. Counsel, you may proceed.

Mr. KENNEDY. Mr. Chairman, I have some transactions that I would like to ask Mr. Stuart about, indicating a misuse of union funds personally by him to the amount of approximately \$40,000 in various transactions.

Starting with the automobiles, you heard Mr. Kopecky's testimony and Mr. Conforti's testimony. Can you tell us anything about the automobiles, the purchase of these automobiles, Mr. Stuart?

Mr. STUART. I respectfully decline to answer because the answer I give may tend to incriminate me.

The CHAIRMAN. Let the Chair ask you first: Have you been present in the hearing room during the course of the testimony of Mr. Conforti?

(The witness conferred with his counsel.)

Mr. STUART. Yes.

The CHAIRMAN. Then you heard his testimony?

(The witness conferred with his counsel.)

Mr. STUART. I did.

The CHAIRMAN. Thank you very much. I just wanted to get the record clear. If you heard it, it will not be necessary to repeat all of it in detail as we interrogate you. Thank you.

Proceed, Mr. Counsel.

Mr. KENNEDY. Mr. Stuart, local 100 appropriated \$13,100.18 for a joint organizational drive with Teamster Joint Council 43. Could you tell the committee about that?

Mr. STUART. I respectfully decline to answer, because the answer I may give may tend to incriminate me.

Mr. KENNEDY. That \$13,100.18 was actually used to purchase 2 automobiles, 2 Cadillacs. Could you tell the committee why it was handled in that manner?

Mr. STUART. I have to give the same answer as previously. The answer may have a tendency to incriminate me.

The CHAIRMAN. Do you honestly believe that if you answered the question with a truthful answer to it, it might tend to incriminate you?

Mr. STUART. Yes.

Mr. KENNEDY. Then there was \$2,143.67, which was appropriated from 2 local unions, local 300 in Chicago and local 100 in Chicago, making a total of \$4,287.34. From the testimony that we have had, that was used to buy you a Corvette and also to get a new Cadillac for you when you traded in your old Cadillac, your old Cadillac being 4 months old.

Could you tell the committee anything about that?

Mr. STUART. I respectfully decline to answer because it may tend to incriminate me.

Mr. KENNEDY. We have a check here——

The CHAIRMAN. Is there anything peculiar about an automobile transaction, buying and trading in automobiles, that, in your opinion, might tend to incriminate you, if you answered a question about it?

(The witness conferred with his counsel.)

Mr. CARROLL. Would you repeat the question, Senator?

The CHAIRMAN. I said, is there anything peculiar about the buying and trading of automobiles, in your judgment, that would tend to incriminate one who engages in such transactions?

(The witness conferred with his counsel.)

Mr. STUART. It may tend to incriminate me.

The CHAIRMAN. Do you mean that the ordinary transaction of that kind might tend to incriminate one; do you mean to imply that?

Mr. STUART. Yes.

The CHAIRMAN. A lot of people are exposing themselves to incrimination, then, on that basis.

Proceed, Mr. Counsel.

Mr. KENNEDY. There was a Cadillac purchased for you back in 1954 for a total—another Cadillac—for a total of \$6,515.15, which does not appear to have been authorized, although a suitable gift was authorized.

Can you tell the committee about the purchase of that Cadillac back in 1954? It is different from the Cadillacs we have just been discussing.

(The witness conferred with his counsel.)

Mr. STUART. I respectfully decline to answer because the answer may tend to incriminate me.

Mr. KENNEDY. At that time you held no position in that local, did you, local 300?

(The witness conferred with his counsel.)

Mr. STUART. I respectfully have to decline to answer on the same reasons.

Mr. KENNEDY. Adding to those automobiles then, we have a check dated 8-24-55, a check payable to the amount of \$3,600, made to the order of the American National Bank & Trust Co., \$3,600, dated August 24, 1955, signed by George Stuart.

The CHAIRMAN. It is drawn on Factory Bakers Union, Local No. 100, Chicago, Ill. This purports to be a photostatic copy of such a check, drawn by you on behalf of that union and that local, and endorsed by you to the bank.

Will you examine that photostatic copy and state whether you identify it?

(The document was handed to the witness.)

(The witness conferred with his counsel.)

Mr. STUART. I respectfully decline to answer because the answer I give may tend to incriminate me.

The CHAIRMAN. You decline, do you, Mr. Stuart, to identify it or state whether or not you do identify the photostatic copy of the check?

Mr. STUART. Yes, sir.

The CHAIRMAN. You decline to state what the check was given for, what the purpose was, and what it was used for?

Mr. STUART. Yes, sir.

The CHAIRMAN. On the ground that it might incriminate you if the truth were known?

Mr. STUART. It may have a tendency to incriminate me.

The CHAIRMAN. That check may be made exhibit No. 17 for the record, as a check which the witness refused to identify, by taking the fifth amendment, believing it might incriminate him in some way.

(The document referred to was marked "Exhibit No. 17" for reference and will be found in the appendix on pp. 3157-3158.)

Mr. KENNEDY. Mr. Chairman, the voucher for that check reads:

In payment of canceling 5-year contract with attorney, January 1, 1955, to 12-31-59. Contract called for \$300 per year.

What was the name of the attorney, Mr. Stuart?

(The witness conferred with his counsel.)

Mr. STUART. I respectfully decline to answer.

Mr. KENNEDY. If it was a legitimate check to an attorney or anyone else, why did you make it payable to American National Bank & Trust Co.?

(The witness conferred with his counsel.)

Mr. STUART. I will have to decline on the same reasons.

The CHAIRMAN. Mr. Stuart, this check shows you to be secretary and treasurer of this Factory Bakers Union Local No. 100, is that correct?

(The witness conferred with his counsel.)

Mr. STUART. I respectfully decline to answer, because it may tend to incriminate me.

The CHAIRMAN. We are finding a great many people associated with unions, organized labor, in official capacities, that can't talk about their relationship with it without feeling they might incriminate themselves. Is there something unusual about such an association? You do not want to leave the impression, do you, that anyone associated with or who is an officer of a union, if it becomes known, or if he testifies about it, there might be something incriminating in it? Or is it because of some unusual circumstances connected with it that you feel that you might be incriminated?

(At this point, Senator Mundt entered the hearing room.)

(The witness conferred with his counsel.)

Mr. STUART. It is something, I believe, that may tend to incriminate me.

The CHAIRMAN. That would be of the unusual order, not common to that relationship, would you say?

(The witness conferred with his counsel.)

Mr. STUART. Mr. Senator, I can only speak for myself.

The CHAIRMAN. Yes, sir; I am asking you to speak for yourself. In this instance, is it something uncommon and not the usual thing that might tend to incriminate you?

(The witness conferred with his counsel.)

Mr. STUART. Well, I will have to respectfully decline to answer.

The CHAIRMAN. I see. All right, Mr. Counsel, proceed.

Mr. KENNEDY. Mr. Chairman, we have an affidavit from the president of local 100, president during this period of time, and in the affidavit he states that there was no contract with an attorney in that period of time. I would like to point out to you, also, that this check made payable to the American National Bank & Trust Co. for \$3,600 was endorsed by Mr. George Stuart.

The CHAIRMAN. It has already been made an exhibit as a document which he refuses to identify, but which bears his signature.

Mr. Stuart, I wonder, would you extend the committee this courtesy, to sign your name there on that pad before you, so that we may observe your signature?

(The witness conferred with his counsel.)

Mr. STUART. I might decline to, Mr. Chairman, because it may tend to incriminate me.

The CHAIRMAN. Your own signature might tend to incriminate you?

Mr. STUART. Yes.

The CHAIRMAN. Thank you.

All right, Mr. Counsel, let me see that affidavit. This affidavit is from Mr. Gilbert Mann. Do you know Mr. Gilbert Mann?

Mr. STUART. I respectfully decline to answer.

The CHAIRMAN. Sir?

Mr. STUART. I respectfully decline to answer, because it may tend to incriminate me.

The CHAIRMAN. It is dated the 1st day of June 1957, some 5 or 6 days ago. Among other things, he states:

From 1937 until January 1955, I was president of local 100 of the Bakery and Confectionery Workers International Union. In January 1955, local union 100 was placed under trusteeship of George Stuart.

Have you ever served in that capacity, Mr. Stuart?

(The witness conferred with his counsel.)

Mr. STUART. I respectfully decline to answer because the answer may tend to incriminate me.

The CHAIRMAN. Thank you sir. He states further:

I would like to state that, when I terminated my position with local 100, in January 1955, there was only 1 outstanding long-term contract, which I had entered into on behalf of the local union, and this involved a 5-year lease with the People's National Bank and covered the rental of the local union's office.

There were no other outstanding contracts which the local union had to honor. Specifically, I did not enter into any long-range contracts with any attorneys or other parties in my capacity as a union officer. I did not enter into any other contract to pay a monthly retainer fee to any party.

Would you state that that affidavit in that respect is true or false?

(At this point, Senator Goldwater withdrew from the hearing room.)

Mr. STUART. I decline to answer, because it may tend to incriminate me.

The CHAIRMAN. If his affidavit is true, then this voucher is untrue, is it not, the voucher for which you gave the check for \$3,600 on August 24, 1955, to cancel a 5-year contract with an attorney? This voucher is false if that affidavit is true; is that not correct?

Mr. STUART. I respectfully decline to answer, because it may tend to incriminate me.

The CHAIRMAN. Don't you think the answer is self-obvious? Did the union have a 5-year contract with any attorney?

(The witness conferred with his counsel.)

Mr. STUART. I decline to answer on the same previous reason.

The CHAIRMAN. You think it might incriminate you to give a truthful answer to that question?

Mr. STUART. Yes.

The CHAIRMAN. Do you honestly believe that it would?

Mr. STUART. Yes.

The CHAIRMAN. You may be correct. Is there any explanation you can give why the president would make a false affidavit—Mr. Gilbert Mann—with respect to these contracts or lack of contracts?

(The witness conferred with his counsel.)

Mr. STUART. I decline to answer on the same reasons; that it may tend to incriminate me.

The CHAIRMAN. Counsel, proceed.

Mr. KENNEDY. Mr. Chairman, I think it might expedite matters if we put a member of the staff on to put in the information that we have and then have Mr. Stuart make any comment.

The CHAIRMAN. Would you remove yourselves to the seats adjoining, where you can hear?

Call the member of the staff forward, please.

Mr. KENNEDY. I wish to call Mr. James Mundie, and also have Mr. George Kopecky return to the stand.

The CHAIRMAN. Mr. Kopecky, you may return to the stand.

(Members present at this point: Senators McClellan, McNamara, and Mundt.)

The CHAIRMAN. Mr. Mundie, will you be sworn?

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MUNDIE. I do.

TESTIMONY OF JAMES F. MUNDIE

The CHAIRMAN. Please state your name, your residence, and your business or occupation, Mr. Mundie.

Mr. MUNDIE. My name is James F. Mundie. I have been a member of this staff since March. I live in the State of Maryland.

The CHAIRMAN. Where is your regular employment, Mr. Mundie?

Mr. MUNDIE. United States Treasury Department, Internal Revenue, Intelligence Division.

The CHAIRMAN. How long have you been in that Division?

Mr. MUNDIE. Since August 8, 1948.

The CHAIRMAN. Some 9 years?

Mr. MUNDIE. Yes, sir.

The CHAIRMAN. In the course of your services with this committee, this select committee, have you examined certain records of the unions involved, union local 100, local 300, and local 1?

Mr. MUNDIE. I have, sir.

The CHAIRMAN. And also certain bank accounts and other documents that the committee has secured under subpoena?

Mr. MUNDIE. Yes, sir.

The CHAIRMAN. Mr. Kopecky, you have been previously sworn, of course.

TESTIMONY OF GEORGE M. KOPECKY—Resumed

Mr. KENNEDY. We discussed the \$3,600. I would like to move to another item amounting to \$1,450, for the alleged payment for a local union official's mortgage.

Mr. Kopecky, what did we find was the situation regarding that payment?

Mr. KOPECKY. Mr. Counsel, in that instance, we find that from local union 100 of the Factory Bakers Union a check dated July 12, 1955, was made payable to a Howard A. McKee, in the amount of \$1,450, and it was signed by George Stuart as special trustee. The check is endorsed by Howard A. McKee.

Mr. KENNEDY. That was a check by the union to pay for the mortgage of the former president; is that right?

Mr. KOPECKY. That is correct. It was used to pay a mortgage of \$1,254 of Mr. Mann, and then the difference was in costs and legal fee.

Mr. KENNEDY. So it made a total of \$1,450 of union money; is that right?

Mr. KOPECKY. That is correct.

Mr. KENNEDY. That union official was to repay the union; is that correct?

Mr. KOPECKY. That is correct.

Mr. KENNEDY. Did he repay? Has he been repaying the money that he was loaned?

Mr. KOPECKY. The note in question was placed with a bank, the American National Bank & Trust Co., during the course of a normal note transaction, for collection, and each and every month the former president makes a check payable in the amount of \$50 to the bank.

Mr. KENNEDY. Does that \$50 payment end up in the bank account of Mr. George Stuart or does it end up in the bank account of the local union?

Mr. KOPECKY. That sum winds up in the personal savings account of George Stuart at the American National Bank.

Mr. KENNEDY. So the money that the union loaned to the former president, and which the former president is now repaying, the money from that loan is being repaid into Mr. George Stuart's personal bank account.

Mr. KOPECKY. That is a true statement.

(At this point the chairman withdrew from the hearing room.)

Mr. KENNEDY. Did we find that on July 12, 1955, there was an expenditure of \$195.17?

Mr. Mundie, can you give us that?

Mr. MUNDIE. Yes, sir.

Mr. KENNEDY. What was the \$195.17 for?

Mr. MUNDIE. It says, "Supplies, baggage, engagement gift for Lois," and the voucher, dated July 12, 1955, covered by check No. 14609, in the amount of \$195.17.

Mr. KENNEDY. It was for luggage?

Mr. MUNDIE. Yes, sir.

Mr. KENNEDY. Did we check whether there was anybody in the office by the name of Lois?

Mr. MUNDIE. We did, sir.

Mr. KENNEDY. Have you an affidavit from Lois?

Mr. MUNDIE. I do, sir.

Mr. KENNEDY. With your permission, Mr. Chairman, can this be read?

Senator MUNDT. Yes.

Mr. MUNDIE. It reads as follows:

STATE OF ILLINOIS,

County of Cook, ss:

Lois Dominski (nee Bianchini), being duly sworn, deposes and says:

I make this sworn deposition of my own free will, without promise of favor or immunity.

This affidavit is made at the request of George M. Kopecky, known to me to be an investigator of the United States Senate Select Committee on Improper Activities in the Labor or Management Field, and I am aware that this sworn deposition is to be used at a hearing before the United States Senate Select Committee on Improper Activities in the Labor or Management Field.

I was employed with local union 100 of the Bakery and Confectionery Workers' International Union of America, in Chicago, Ill., continuously from June 1954 until October 1955, at which time my position was terminated.

During the course of my employment with this local union, I received only my weekly wages, vacation wages, and a Christmas check in the amount of approximately \$25. At no time did I ever receive any gift of money, merchandise, or other item of value as a result of my engagement to my fiance, marriage, or other occasion. Specifically, I never received any baggage, or other merchandise from the local union, or any of its representatives, in July 1955.

Further, I became engaged to my fiance on December 24, 1954, and was married on February 2, 1957. At no time did George Stuart, or any other union representative, discuss giving me a gift. I would also like to state there was no other employee named Lois at the union offices.

I have examined a "voucher for disbursement" of the local union 100 of this union, dated July 12, 1955, covering check No. 14609, payable to Kril Office, Inc., and marked "Supplies—baggage (engagement gift, Lois)" and would like to state this merchandise covered by this voucher was not given to me.

I have examined a "Voucher for Disbursement" of the local union 100 of this Bakery and Confectionery Workers' International Union of America, in Chicago, Ill., during the year 1955, until I left my position, there was no female employee at this local union who was married, or who became engaged to be married.

(Signed) LOIS DOMINSKI.

Subscribed and sworn to before me this 31st day of May 1957.

(Signed) PETER P. AEZRI,
Notary Public.

[SEAL]

(At this point the chairman returned to the hearing room.)

Mr. KENNEDY. So according to the affidavit she did not receive the luggage?

Mr. MUNDIE. No, sir.

Mr. KENNEDY. That is \$195.17?

Mr. MUNDIE. That is correct.

Mr. KENNEDY. Do we find, Mr. Kopecky, on July 12, 1955, that there was a check for \$278.17?

Mr. KOPECKY. That is correct.

Mr. KENNEDY. And did we learn what that check was used for?

Mr. KOPECKY. This check dated July 12, 1955, was made payable to the Harlow Electrical Supply Co., Inc., in the amount of \$278.17 for 1 Mitchell air conditioner installed in local union 100 office.

Mr. KENNEDY. Did we find out where that air conditioner was delivered?

Mr. KOPECKY. Photostats of the records from Harlow Electrical Supply Co., Inc., at 4941 West Chicago Avenue, Chicago, Ill., indicate that this particular item in the amount of \$278.17 was shipped to George Stuart at 10906 East 43d Street, Kansas City, Mo.

(At this point, Senator Mundt withdrew from the hearing room.)

Mr. KENNEDY. The gift for Lois, allegedly to Lois, was \$195.17.

The CHAIRMAN. Let us make those checks exhibits as we go along. Identify the first check testified to.

Mr. MUNDIE. July 12, 1955. Is that the \$1,450, or the \$195.17?

Mr. KENNEDY. \$195.17.

The CHAIRMAN. The \$195.17 check will be made exhibit No. 18, and the second check testified to for \$278.17 will be made exhibit No. 19.

(The documents referred to were marked "Exhibits Nos. 18 and 19" for reference and will be found in the appendix on pp. 3159-3161.)

Mr. KENNEDY. Did you also have on September 2, 1955, two dehumidifiers for \$188.58 that came out of local 100 for Mr. George Stuart?

Mr. MUNDIE. On September 12, 1955, local union 100 issued check No. 14756 in the amount of \$188.58 for dehumidifiers which were shipped to George Stuart.

The CHAIRMAN. That check may be made exhibit No. 20.

(The document referred to was marked "Exhibit No. 20" for reference, and will be found in the appendix on p. 3162.)

Mr. KENNEDY. That is a total of \$188.58; is that right?

Mr. MUNDIE. Yes, sir.

Mr. KENNEDY. And then did we find out of local union 100 on the date December 16, 1955—are there some other documents there?

Mr. MUNDIE. On this other one, do you want to have where it was shipped, the dehumidifiers?

Mr. KENNEDY. Go ahead.

Mr. MUNDIE. That was shipped to 1145 19th Street NW., by way of Railway Express, the dehumidifiers.

Mr. KENNEDY. What address is that here in Washington?

Mr. MUNDIE. That is the International Bakers and Confectioners.

Mr. KENNEDY. Have you checked to see whether the dehumidifiers are needed or used in the international headquarters?

Mr. MUNDIE. According to the auditor, he said it is not there.

Mr. KENNEDY. According to the auditor who is there, they don't have those things in there?

Mr. MUNDIE. That is right, sir.

Mr. KENNEDY. Then on December 16, 1955, did you find that \$780 of local union 100 funds were used to buy a pearl necklace and earrings?

Mr. KOPECKY. Yes, check 14984, for \$780.

The CHAIRMAN. That check may be made exhibit No. 21.

(The document referred to was marked "Exhibit No. 21" for reference, and will be found in the appendix on p. 3163.)

Mr. KENNEDY. Have you checked with the store where that purchase was made?

Mr. KOPECKY. Yes. I caused to have a check made and it indicated that the pearl necklace, bracelet, and earrings were purchased by Mr. George Stuart.

Mr. KENNEDY. And this \$780 union check was used to make that purchase?

Mr. KOPECKY. Yes.

The CHAIRMAN. Do you know how those can be used to further unionism?

Mr. KOPECKY. I haven't the slightest idea.

Mr. KENNEDY. On June 14, 1954, did you find \$470 taken from local union 300 and used to buy a cocktail set and 2 pairs of cufflinks for Mr. George Stuart?

Mr. MUNDIE. On July 14, 1954, the Biscuit, Cracker, and Candy Workers Union No. 300 issued a check in the amount of \$470, and on the voucher noted "present for international president."

The CHAIRMAN. Was he international vice president of the union at that time?

Mr. MUNDIE. Yes, sir; he was.

The CHAIRMAN. What was that for?

Mr. MUNDIE. A cocktail set and set of cuff buttons.

The CHAIRMAN. What is the price of each? Does it show?

Mr. MUNDIE. Yes. The cocktail set was \$375 and the cuff buttons was \$95.

The CHAIRMAN. Well, it is a little bit cheap, but—

Mr. KENNEDY. Did you find, Mr. Kopecky, on February 4, 1955, that \$450 of local union 100 funds were used to buy Mr. George Stuart 3 suits and an overcoat?

The CHAIRMAN. Just a moment. This check you just testified to will be made Exhibit No. 22.

(The document referred to was marked "Exhibit No. 22" for reference and will be found in the appendix on pp. 3164-3165.)

Mr. KOPECKY. That is correct. The check is made payable for \$450 to M. Hyman & Son, and the supporting voucher indicates it was supposed to be used for Christmas gift certificates ordered by Gilbert Mann on September 20, 1954. At the merchant, it was indicated that suits and an overcoat were purchased for this amount of money for the account of Mr. George Stuart.

The CHAIRMAN. What is the amount of it?

Mr. KOPECKY. \$450.

The CHAIRMAN. For a suit and overcoat?

Mr. KOPECKY. There were three suits and an overcoat.

The CHAIRMAN. Three suits and an overcoat.

That will be made exhibit No. 23.

(The document referred to was marked "Exhibit No. 23" for reference and will be found in the appendix on p. 3166.)

Mr. KENNEDY. Mr. Mundie, on January 3, 1956, did you find \$539.32 of local 100 funds used to buy Mr. George Stuart a bed and a high-fidelity phonograph?

Mr. MUNDIE. I did. On January 30, 1956, local 100 issued their check No. 1320 in the amount of \$539.32, on a check to the Restano Furniture Co., and they furnished a photostatic copy of a bill for

a 2-piece bed for \$387.82 and a high-fidelity phonograph for \$151.50, and shipped to George Stuart, 6850 Oregon Avenue NW., the home of Mr. George Stuart.

The CHAIRMAN. That may be made exhibit No. 24.

(The document referred to was marked "Exhibit 24" for reference and will be found in the appendix on pp. 3167-3168.)

Mr. KENNEDY. Did you find from the international funds that there was a plane ticket purchased for \$61.82 for a woman who was not on the payroll of the union?

Mr. KOPECKY. According to a statement of expenses submitted by Mr. Stuart for the period from October 2 through October 8, 1955, there is indicated thereon a cash payment for air ticket 126004, Los Angeles to Portland, \$61.82. The supporting document indicates this particular ticket number for a flight on October 3, 1955, and the name of the passenger at the union offices as Mr. G. Stuart.

The CHAIRMAN. Who?

Mr. KOPECKY. Mr. G. Stuart.

The CHAIRMAN. Mr. G. Stuart?

Mr. KOPECKY. Yes, sir. However, the original document on file with the Western Airlines indicates that the actual name of the passenger was K. Lower.

The CHAIRMAN. I am sure Mr. Stuart will want to explain that.

That may be made Exhibit No. 25.

(The document referred to was marked "Exhibit No. 25," for reference and will be found in the appendix on pp. 3169-3170.)

Mr. KENNEDY. In connection with that, did you determine whether there had been some money sent to K. Lower by Mr. Stuart?

Mr. KOPECKY. In that regard, Mr. Counsel, there is a statement of expenses submitted by George Stuart on March 5, 1956, which indicates thereon "Wire to Los Angeles, Strike Donation, \$200, Cost of Wire \$4.02." Bracketing these two lines is a bracket "O.K. J.G.C."

A document produced by the Western Union office dated March 5, 1956, which is the same date, indicates that a Western Union money order was wired by George Stuart from the Monte Carlo Hotel in Miami Beach, Fla., to Mrs. E. K. Thorpe, 5020 Rodeo Road, Apartment 32.

Further, this Western Union money order, which is No. 39928, in the amount of \$200, was made payable to Mrs. E. K. Thorpe, and endorsed by that party.

I might indicate that Mrs. E. K. Thorpe is also known as K. Lower.

Mr. KENNEDY. Was this O.K.'d, did you say? Was this approved, this \$200 outlay of international union funds? Was that approved?

Mr. KOPECKY. Yes; it was, according to this photostat.

Mr. KENNEDY. It was approved by James Cross?

Mr. KOPECKY. The initials are J.G.C. and Mr. Cross' name is James G. Cross.

The CHAIRMAN. That may be made exhibits Nos. 26 and 26-A, the documents regarding that transaction.

(The documents referred to were marked "Exhibits Nos. 26 and 26-A" for reference and will be found in the appendix on pp. 3171, 3172.)

Mr. KENNEDY. It would appear from the records that you have reviewed that whatever Mr. Stuart did, so far as K. Lower or Mrs. Thorpe, was done at the request of Mr. Cross rather than on his own; is that correct?

Mr. KOPECKY. That is correct.

The CHAIRMAN. Mr. Cross approved it?

Mr. KOPECKY. That is correct.

Mr. KENNEDY. Was there also from the international fund in addition to other expenses, a sum of \$500 listed as a strike donation?

Mr. KOPECKY. That is right. Check No. 4115F international union, dated February 24, 1954, in the amount of \$500 was drawn to George Stuart as a strike donation. At this particular time, he was the trustee of local union No. 149 in Memphis. The records of local union No. 149 do not reflect any receipt of this \$500. The particular check was endorsed by George Stuart.

The CHAIRMAN. The check was made to George Stuart? Is that from the international union?

Mr. KOPECKY. It was drawn on the account of the international union; yes, sir.

The CHAIRMAN. A check on the account of the international union in the amount of \$500, to George Stuart and endorsed by George Stuart, cashed by him?

Mr. KOPECKY. Yes.

The CHAIRMAN. And the union for which it was intended, you say, you checked their records?

Mr. KOPECKY. We examined the records; yes, sir.

The CHAIRMAN. And there is no record of it having been received?

Mr. KOPECKY. That is correct.

The CHAIRMAN. What union is that?

Mr. KOPECKY. Local union 149.

The CHAIRMAN. That check may be made exhibit No. 27.

(The document referred to was marked "Exhibit No. 27" for reference and will be found in the appendix on p. 3173.)

Mr. KENNEDY. Did we also find that Mr. Stuart had his son on the payrolls of some of these local unions under trusteeship?

Mr. KOPECKY. That is correct.

Mr. KENNEDY. And occasionally, did Mr. Stuart himself receive the expenses that his son allegedly incurred? Did he receive the expense money from the international?

Mr. KOPECKY. That is right.

Mr. KENNEDY. Dated May 13, 1955, did he receive a check for \$887.60?

Mr. KOPECKY. Yes; that was a check drawn on the international union, dated May 13, 1955, check No. 13261. It was \$887.60, payable to George Stuart. It indicated that this was the balance of moving expenses, living expenses and various and sundry utility expenses, plus a daily per diem allowance which was to be used for the benefit of his son, James Stuart, during the time that George Stuart was the trustee of local union 149 in Memphis, Tenn., and during which same period he had caused to be placed on the payroll of this local union, his son.

Mr. KENNEDY. Was his son, during this period of time receiving his rent for his home and utilities?

Mr. KOPECKY. That is correct. It is indicated that he received payment for rent of a furnished home, the rent for an unfurnished house, the utilities of telephone, gas, electric and water, daily expense

of \$2 a day for 301 days, moving expenses from Memphis back to Kansas City.

Mr. KENNEDY. What was the total amount?

Mr. KOPECKY. The total amount was \$2,387.60, of which the local union was billed \$1,500 for a check made payable to James Stuart, and cashed by James Stuart, the son, and the balance was drawn on a check to George Stuart and the supporting voucher also indicating to George Stuart.

The CHAIRMAN. Are there 2 checks there or just 1.

Mr. KOPECKY. There are 2 checks.

The CHAIRMAN. Those checks may be made exhibits 28 and 28-A. (The documents referred to were marked "Exhibits Nos. 28 and 28-A" for reference and will be found in the appendix on pp. 3174, 3175.)

The CHAIRMAN. The supporting documents may be included with them and may be found in the files of the select committee.

Mr. KENNEDY. While Mr. Stuart was associated with local union 100, he was receiving his expenses from the international union, is that correct?

Mr. KOPECKY. That is correct.

Mr. KENNEDY. In 1954, his expenses were \$14,000. In 1955 they were \$19,153.78, and in 1956 they were \$12,969.04, making a total for his expenses during those years of \$46,912.78 that he received in expenses; is that right?

Mr. KOPECKY. That is correct.

The CHAIRMAN. Are there vouchers to cover all of those expenses?

Mr. KOPECKY. Yes.

Mr. KENNEDY. In addition to that, did he receive \$100 a week in miscellaneous expenses from local 100?

Mr. KOPECKY. Yes; that is correct.

Mr. KENNEDY. And the total for that \$100 a week for 48 weeks would be \$4,800. Were there any vouchers submitted for that?

Mr. KOPECKY. Just a supporting voucher indicating that a check was to be drawn. There is no information to indicate what the money was to be used for.

Mr. KENNEDY. Together with the Cadillac and these other matters that we have discussed, plus the \$10,500 of organizational expenses and evidently \$3,000 of that was returned to the local union, discussed this morning, that makes a total of approximately \$40,000 that we have traced through Mr. Stuart's hands.

Mr. KOPECKY. In excess of \$40,000.

Mr. KENNEDY. Which is unauthorized; is that correct?

Mr. KOPECKY. That is correct.

Mr. KENNEDY. That is what he has personally benefited?

Mr. KOPECKY. That is correct.

Mr. KENNEDY. And there are other funds, which other individuals have benefited?

Mr. KOPECKY. Other individuals received the benefit from these proceeds, and the local union did not receive any benefits.

The CHAIRMAN. Are there any further questions?

If not, gentlemen, you may stand aside.

Mr. Stuart, would you resume the stand, please?

TESTIMONY OF GEORGE STUART, ACCOMPANIED BY COUNSEL, GEORGE CARROLL—Resumed

Mr. KENNEDY. Mr. Stuart, could you tell the committee, or give them any explanation about the use of union funds to purchase yourself some luggage for \$195.17?

Mr. STUART. I regret I must decline to answer, that the answer I may give may tend to incriminate me.

Mr. KENNEDY. Then we have the money for the air conditioner and the dehumidifiers, the pearl necklace, the bracelets, the earrings, the cocktail set, the cuff links, the suits and the overcoat, the bed and the high fidelity phonograph, and the plane ticket for K. Lower.

Then we have a couple of expenses here of \$478.31, and another expense of \$250 that you received from local 100, which there are no vouchers for.

Can you give us any explanation of any of those things?

Mr. STUART. I regret that I must decline to answer because it may tend to incriminate me.

Mr. KENNEDY. The total of misuse of union funds together with the automobiles and these other matters, for which there are no vouchers, would appear to be over \$40,000 that you personally misused of union funds. Would you make any comment on that?

Mr. STUART. I must decline to answer, because it may tend to incriminate me.

Mr. KENNEDY. I would like to read to you a section from the Criminal Code of Illinois, section 218, embezzlement of property of fraternal society is larceny, that—

any person who is a member and officer of any fraternal beneficiary society, corporation, or association, or subordinate lodge thereof, who shall embezzle or fraudulently convert to his own use or take and secret with intent so to do without the consent of the beneficiary society, corporation, association, or subordinate lodge thereof, as the case may be, any funds or property of such beneficiary society, corporation, association, or subordinate lodge thereof, which has come to his possession, or is under his care by virtue of such office, shall be deemed guilty of larceny, the same as if he had not been or was not a member of such fraternal beneficiary society, corporation, association, or subordinate lodge thereof, or one of the beneficial owners of such funds or property, and it shall be sufficient in any indictment for embezzlement of funds or property of any beneficiary society, corporation, association, or subordinate lodge thereof, and it shall not be a defense under such indictment that any officer has a personal interest in the funds or property.

Do you have any comment on that, on the embezzlement statute in the State of Illinois, so far as your own actions are concerned?

Mr. CARROLL. Is counsel asking for a legal opinion of the witness? Could he refine the question?

The CHAIRMAN. Repeat your question.

Mr. KENNEDY. I wondered if he had any comment on that as far as his own actions were concerned.

The CHAIRMAN. That is the question, if he had any comment on it, the law having been read and the evidence having been adduced here, which he has heard.

After hearing the evidence and the law read, do you have any comment on it, Mr. Stuart?

Mr. STUART. No.

Mr. KENNEDY. I think I perhaps have a clearer section where it says embezzlement is larceny.

Whoever embezzles or fraudulently converts to his own use or secrets with intent to embezzle or fraudulently converts to his own use, money, goods, or property delivered to him, which may be the subject of larceny or any part thereof, shall be deemed guilty of larceny.

Would you have any comment on that in connection with your own activity?

(The witness conferred with his counsel.)

Mr. STUART. No, sir.

Senator McNAMARA. May I ask a question, Mr. Chairman?

The CHAIRMAN. Senator McNamara.

Senator McNAMARA. Does this law that you are quoting apply equally to all nonprofit organizations, regardless of whether or not they are incorporated, or is this for nonprofit organizations operating under a corporate franchise?

Mr. KENNEDY. Either one.

Senator McNAMARA. Either one or both? That is interesting.

Mr. KENNEDY. That is in the State of Illinois, where most of the money came from, local 100 and local 300.

The CHAIRMAN. Mr. Stuart, would you mind telling us how many members there are in the Bakers and Confessionary International? Do you know?

(The witness conferred with his counsel.)

Mr. STUART. I regret that I must decline to answer because it may tend to incriminate me.

Mr. KENNEDY. I believe it is 165,000.

The CHAIRMAN. I am sorry, Mr. Stuart, you could not give us that information. But if the information we have is correct, some 165,000 or whatever number it is—and certainly I am assuming you know, and more accurately than anyone else here, possibly, the number of members—if the 165,000 that I mentioned is considerably inaccurate, then you may apply your answer to such number as you think is more accurate.

I just wanted to ask you if you feel that you have any obligation to the union members, to those 165,000, or whatever number it is, that you serve as an officer in a position of trust, to account to them for the use you made of their money.

Do you feel under any obligation to do that?

(The witness conferred with his counsel.)

Mr. STUART. I regret that I must decline to answer that question because it may tend to incriminate me.

The CHAIRMAN. You do recognize that, notwithstanding the legal obligations, there are such concepts that some of us entertain, and there are moral obligations as well, to account for our trusteeship. Do you recognize that, and is that your concept?

(The witness conferred with his counsel.)

Mr. STUART. Yes, sir, Senator; I recognize that there are moral—

The CHAIRMAN. You do recognize it.

Do you wish to discharge it here today and meet your responsibility in that respect, or do you still continue to insist upon taking the fifth amendment?

(The witness conferred with his counsel.)

Mr. STUART. I personally feel that I must take and decline to answer because the questions may tend to incriminate me.

The CHAIRMAN. Do you recognize, then, that you are placing your right under the fifth amendment, placing that right, or the privilege rather, of doing so, placing that above, and causing it in your conduct here and in your testimony to transcend in importance the obligation and duty you have to make an accounting for funds that were entrusted to you by the laboring men in this union?

(The witness conferred with his counsel.)

Mr. STUART. I have no comment, Senator.

The CHAIRMAN. You would not like to comment on that?

Mr. STUART. No, sir.

The CHAIRMAN. You will just leave it to the union members, the public, and the committee, and the Congress, to draw its own conclusions? You would like to leave it that way?

(The witness conferred with his counsel.)

Mr. STUART. Yes, sir.

The CHAIRMAN. Thank you.

Are there any more questions?

You may stand aside for the present, subject to being recalled. You are not excused from your subpoena. You may be recalled before the hearings are concluded.

You may stand aside. That will be all for you for this afternoon, at least.

Mr. KENNEDY. We have two witnesses, Mr. Chairman.

The CHAIRMAN. You might like to hear these other witnesses, if you like.

You may remain if you wish.

Mr. KENNEDY. We have two witnesses that should not be very long. They came in from Chicago.

The CHAIRMAN. Call them.

Mr. KENNEDY. Mr. Mascarella.

The CHAIRMAN. Will you be sworn, please?

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing by the truth, so help you God?

Mr. MASCARELLA. I do.

TESTIMONY OF JOHN MASCARELLA

The CHAIRMAN. State your name, your place of residence and business or occupation?

Mr. MASCARELLA. John Mascarella, 2211 North Harlem Avenue, Chicago, Ill.

I have a real estate and insurance office.

The CHAIRMAN. How long have you had that operation, Mr. Mascarella?

Mr. MASCARELLA. Fourteen years.

The CHAIRMAN. Fourteen years?

Mr. MASCARELLA. Yes, approximately.

The CHAIRMAN. Have you talked to members of the staff regarding your testimony?

Mr. MASCARELLA. I spoke to Mr. Kopecky at one time.

The CHAIRMAN. You have talked to him?

Mr. MASCARELLA. Yes, sir.

The CHAIRMAN. You know under the rules you are entitled to have counsel, if you desire, to be present and advise you of your legal rights while you testify?

Mr. MASCARELLA. Counsel? I though I was here as sort of a co-operating witness.

The CHAIRMAN. Sir, we are not insisting that you have counsel, but the Chair feels it is his duty to advise any witness who appears——

Mr. MASCARELLA. I don't feel I have any reason for counsel.

The CHAIRMAN. Thank you. I am confident you do not have to, but I have to admonish witnesses that they have that privilege, under the rules of the committee.

Mr. KENNEDY. You are in the real estate business?

Mr. MASCARELLA. Yes, sir.

Mr. KENNEDY. In Chicago.

Mr. MASCARELLA. That is right.

Mr. KENNEDY. You received on July 15, 1954, \$2,500 in a check from local 3300, signed by Anthony J. Conforti. Will you tell the committee what that was for?

Mr. MASCARELLA. Well, prior to receiving that check, I met Mr. Conforti, I believe, at one of our chamber of commerce affairs. I was president of the chamber of commerce at that time. If I recall correctly, he asked me if I knew of any rentals, or something similar to that, for some friends of his, which I did, and I took care of it at that time.

Whenever we had a rental, we sent someone over and we rented it to them.

But then the following year he came into my office—incidentally, not only that, but at that time I was a director of the bank, and he sent some of the people over for small loans, automobile loans, and so on and so forth, which I took care of.

Then he came into the office, I believe, in the summer of 1954, and he brought a check for \$2,500 and told me that he wanted to keep me on the basis of whenever any of his—I don't know if they were employees—members of the local, I should say, needed advice on insurance, real estate, or tax or anything, he would send them in to me, and I would, naturally, take care of them for nothing. I mean, there would be no charge.

And then, I believe, the following year, he gave me another check. I think that was the last one.

Yes. That was 1955. At that time I went into the building business with a partner. As a matter of fact, I told him I didn't think I would have much time. I only had a one-man office. That is the reason I never repeated that work for the local.

The CHAIRMAN. Let us see.

Did you only accept one check?

Mr. MASCARELLA. No. Two checks.

The CHAIRMAN. You accepted two checks for \$2,500?

Mr. MASCARELLA. That is right. The first one he brought in he said was in payment for what I had already done, and what they expected of me.

Mr. KENNEDY. Did you feel that your services were worth \$2,500?

MR. MASCARELLA. Well, the first check I would say yes, because prior to that I had been helping him out, but after the second check I don't think so. I don't think I did enough work to warrant it, but on the basis of what we had rented. At that time, in 1953, 1954, and 1955 rentals in Chicago, apartments were hard to get, and, naturally, the broker finding the apartment always charged the prospective tenant, not the lessor. We also charged the lessee a fee for finding an apartment. The fee varied from \$25 to the first month's rent. So it was pretty good business.

On the basis of what I felt I had done for him the 2 years previous, I felt that I earned the money because I lost a lot of commissions by not giving these to customers coming into the office.

THE CHAIRMAN. At least, you certainly earned some part of it on the basis of practices that prevailed at that time?

MR. MASCARELLA. Yes.

THE CHAIRMAN. You felt it was a legitimate fee and you took it?

MR. MASCARELLA. That is right.

MR. KENNEDY. When you were talking to Mr. Kopecky, I believe you stated that some \$600 of this was used to pay off city officials in Chicago?

MR. MASCARELLA. That is not true. Mr. Kopecky misunderstood, if anything. I told him that the loss to me would be approximately—approximately what it would cost me out of my pocket would be six or seven hundred dollars.

I don't know where "city officials" come into this at all. They are not in my office.

MR. KENNEDY. There is no mention of that at all?

MR. MASCARELLA. No, sir.

MR. KENNEDY. Was there a mention of \$600?

MR. MASCARELLA. Yes. He asked me how much of that money that I received would it cost me. In other words, finding apartments or anything. Naturally, if I give you an apartment free, there is a month's rent that I could have gotten from someone else, so I figured around six or seven hundred dollars is what it would cost me out of my pocket if I gave those apartments or advice to members of the local. That is what I said.

MR. KENNEDY. There was no mention of the other?

MR. MASCARELLA. No, sir.

MR. KENNEDY. The cost, then, to you, to perform the services that you performed for the local was about six or seven hundred dollars?

MR. MASCARELLA. It was just a matter of conversation when he asked me about it. We just estimated it that way. It might have been less and it might have been more. I don't know.

THE CHAIRMAN. What you are saying is that you would have been out of pocket expense that much?

MR. MASCARELLA. I would say six or seven hundred dollars at least.

MR. KENNEDY. I thought we should clarify it.

MR. MASCARELLA. I don't know where he got the idea that I was taking care of city officials in my office. I am sure they are not interested in my one-man office.

MR. KENNEDY. That is what disturbed us, Mr. Mascarella. We did not understand, and we thought we would give you a chance to explain it.

Mr. MASCARELLA. Good Lord, I couldn't do that if I wanted to.

The CHAIRMAN. Is there anything further?

Senator McNAMARA. Mr. Chairman, I have a question I would like to ask.

The CHAIRMAN. Senator McNamara.

Senator McNAMARA. Do you have a broker's license?

Mr. MASCARELLA. Yes, sir.

Senator McNAMARA. And you did this same service for the general public? This was not an exceptional service?

Mr. MASCARELLA. No. At a matter of fact, for the bank it was the same way. I believe I placed at least the 10 employees of the bank that I was a director of at that time into apartments. I managed a 24-apartment building and a 6, and naturally, being well known in the neighborhood a lot of people called me when they had a vacant apartment because I have been living in that neighborhood for 22 years.

I was one of the first men to start the chamber of commerce. I was the charter president of the Lions Club out there. I was the man who started the drive for an iron lung for the fire department, because they had none there. I have been chairman nine different times for every fund you can name in that particular area—Red Cross, infantile paralysis, TCP, the community fund.

So I think with all that work in the neighborhood I should be well known or at least known enough to get some business from the people in the neighborhood.

Senator McNAMARA. I think you established that you are well known. These other people, these people from the bank, did you charge them a fee?

Mr. MASCARELLA. No, sir.

Mr. KENNEDY. You did not customarily charge a fee?

Mr. MASCARELLA. Well, I did except if they were people that I knew personally. I was a director of that bank. I could hardly charge one of the employees there a fee for finding him a place to live.

But if a person came in—we have lists of prospects that come into the office practically every day looking for an apartment. We take their name and address, were we can reach them, and when something comes in we call them. That is where we charge our fee, but not on anyone that I know in my neighborhood.

Senator McNAMARA. Were you acting as the landlord on some of these properties, in some of these cases?

Mr. MASCARELLA. No. I do not own any of the properties. I don't even own my own home.

Senator McNAMARA. You acted for the landlord, as an agent?

Mr. MASCARELLA. That is correct.

Senator McNAMARA. Are these under lease or are they month-to-month payments?

Mr. MASCARELLA. They were usually yearly leases. I believe in the 24-apartment building, she left 6 open without leases. They always do that, but why, I don't know. The rest of the time they insist on leases.

Senator McNAMARA. That is the general practice?

Mr. MASCARELLA. Yes, not to tie up the whole building.

Senator McNAMARA. You indicated you were the president of the chamber of commerce. That is an unpaid office?

Mr. MASCARELLA. Yes. I was elected three times, 1953, 1954, and 1955.

Senator McNAMARA. You were a member of the chamber of commerce because of your broker's license and being in the real-estate business?

Mr. MASCARELLA. Yes. Well, I was one of the original six people who started the chamber of commerce.

Senator McNAMARA. How much do you pay in annual dues?

Mr. MASCARELLA. \$30 a year.

Senator McNAMARA. Thank you.

Mr. KENNEDY. How many people did you do work for in the union to earn the \$5,000?

Mr. MASCARELLA. I couldn't actually say, Mr. Kennedy, because unless I charge a fee, I don't take any names.

Mr. KENNEDY. You don't know how many people you did any work for?

Mr. MASCARELLA. No; I really don't.

Mr. KENNEDY. Can you name anybody that you did any work for?

Mr. MASCARELLA. It is hard to say.

Mr. KENNEDY. It is hard to say?

Mr. MASCARELLA. I mean it is hard to remember. The last time I did that was 1955, I think it was. They come in the office and would say Mr. Conforti sent them. Usually, I would take their name and address and see what they wanted.

When something comes up, I call them and that is it. I don't keep any record of it because I don't charge them any commission. The only time I keep a record of anything is when there is a profit or some money made on it.

Mr. KENNEDY. And you never mentioned to Mr. Kopecky that you could not mention certain people's names because it would jeopardize your business?

Mr. MASCARELLA. I never told him that. I never said that. I have nothing to hide. I don't see why I shouldn't mention names. I just don't understand it at all.

Mr. KENNEDY. You don't have any records of anybody that you did any work for?

Mr. MASCARELLA. No, sir.

Mr. KENNEDY. None at all?

Mr. MASCARELLA. As I say, Mr. Kennedy, I don't keep a record of anything I don't make money on.

Mr. KENNEDY. I thought maybe you had written letters or something.

Mr. MASCARELLA. Well, wait a minute. I take that back. There was a fellow. The last one I remember. He happened to be a colored fellow. That I remember.

Mr. KENNEDY. You remember what?

Mr. MASCARELLA. That was the last one.

Mr. KENNEDY. For \$5,000 you can remember one person?

Mr. MASCARELLA. Now, you are not putting that thing right. You are making it appear like I took care of one item for \$5,000. You must remember this is a period of 3 years, not 2 years, and I have done my work for at least the first 2 years and 1 year I did not get paid for anything and never charged them anything.

The CHAIRMAN. Have you anything further?

Senator McNAMARA. What is your accounting in your own mind for why he paid you this \$2,500 the second year?

Mr. MASCARELLA. Well, at that time, as I said, I was director of the bank, and I was on the loan committee, helping ex-Governor Green, and he had sent in—like I say, I don't take their names. When they come in to see me at the bank or at the office, they introduce themselves and "Mr. Conforti sent me."

They give me their problem. It is not very large and I take care of it. That is about all I can remember of it. There might be 50 for all I know in the last 3 years.

Senator McNAMARA. I did not ask you about that. You made the statement that the first \$2,500 which was paid to you, you thought was legitimate and you thought you had it coming.

Mr. MASCARELLA. I think so.

Senator McNAMARA. You said immediately after the second \$2,500 you do not think you had it coming?

Mr. MASCARELLA. No.

Senator McNAMARA. Why do you think he paid it to you?

Mr. MASCARELLA. Well, now you have me. I think maybe because I was so active in the community and he figured sooner or later I might be able to do some good for his friends or his members of the union or something.

I have a statement to make. I tried to tell that to Mr. Kopecky. I have never been at Mr. Conforti's home. I was only on a speaking acquaintance with him when I met him on the street.

Mr. Kopecky asked me if I knew Mr. Conforti's brother. I never knew Mr. Conforti had a brother. I never had anything to do with him. He was introduced to me at the chamber of commerce in 1953 when I was elected president of the chamber. That is the first recollection of a formal introduction. I have seen him on the street, naturally, because I am up and down the street continuously.

I have seen him in the furniture store or wherever it was, and I always say hello to him. But I don't recall stopping him and engaging him in conversation, where it was a friendship with him. That is, until 1953, and that is when he started asking me if I could help him out in the real estate or insurance. I didn't even want the insurance business from him, from his membership. I didn't want it. I have neighborhood business.

Senator McNAMARA. You still do not understand why he paid you the second \$2,500?

Mr. MASCARELLA. I assume that he thought I could do him some more good, or something. I don't know. If someone comes in your office and wants to give you \$2,500, I don't think you would refuse it, unless it was stolen. So I didn't refuse it.

Senator McNAMARA. If you are a licensed broker and someone comes in and wants to give you \$2,500, I think you would take a second look at it.

Mr. MASCARELLA. No, sir; I will give you a specific instance where I received \$1,000 for not doing a thing. The man's name is Morris Deslowski. He gave me his apartment to sell in the latter part of 1954 or 1955. He works in a haberdashery. He says to me, "Johnny,

I want you to sell this apartment building for me." I took the building. I asked him what he wanted for it and he said \$42,000. I said, "Morrie, your property is worth more than \$42,000. I think you can get \$48,000 for it." To make a long story short, I did not sell the building. Within 10 days or 2 weeks he sold it himself and he mailed me a check for \$1,000 and I did nothing for it.

Senator McNAMARA. You made an appraisal.

Mr. MASCARELLA. \$1,000 for an appraisal is pretty high. I usually charge \$25.

Senator McNAMARA. You raised the price of the sale from \$42,000 to \$48,000.

Mr. MASCARELLA. That is right. But, technically speaking, I didn't earn the \$1,000. He had no right to send it to me, but he did.

Senator McNAMARA. But you did something for him.

Mr. MASCARELLA. Well, I suppose you could say that.

The CHAIRMAN. Are there any other questions?

Mr. KENNEDY. Did you handle any police tickets or anything like that for the union?

Mr. MASCARELLA. No, sir. I subscribe to all the police on my own—

Mr. KENNEDY. Just answer my question. When any of the union members or union officials get in—

Mr. MASCARELLA. I don't know any of the union officials.

Mr. KENNEDY. You do not know Mr. Conforti?

Mr. MASCARELLA. No. I know Pete Lombardi because I grew up with him.

Mr. KENNEDY. Did you handle any police tickets?

Mr. MASCARELLA. No, sir.

Mr. KENNEDY. Mr. Kopecky must have been dreaming.

Mr. MASCARELLA. Mr. Kopecky—it reminds me of the time that I bought a used car when I was a kid. They talk fast to you for a half hour and then they want you to sign something. I remember that Dodge I bought, that 1927 Dodge. I can never forget it. That taught me one thing. Listen, but don't sign anything until you read it over for a few days.

The CHAIRMAN. Are there any other questions?

Senator McNAMARA. Mr. Chairman, I would like to ask one more question.

This business of paying for finding apartments; is that something that developed during the rent-control period?

Mr. MASCARELLA. Definitely.

Senator McNAMARA. This was part of the thing that was brought about by Government regulation?

Mr. MASCARELLA. I have been offered as high as \$200 for a \$100 rental.

Senator McNAMARA. A what?

Mr. MASCARELLA. For a \$100 apartment, I have had people say, "I will give you more than a month's rent."

Senator McNAMARA. I was rent director in Detroit, so I understand some of these things.

Mr. MASCARELLA. It is hard in Chicago today. Mr. Senator, I would like to get back home. Am I excused?

The CHAIRMAN. Yes; you are excused.

Mr. MASCARELLA. For good? I want to go back home. I have a 13-year-old boy staying alone. My wife is down here.

The CHAIRMAN. Yes, sir. Take the next plane.

Mr. MASCARELLA. Thank you very much.

The CHAIRMAN. Call the next witness.

Mr. KENNEDY. Mr. Flicht.

(Present at this point: Senators McClellan and McNamara.)

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. FLICHT. I do.

TESTIMONY OF ALEXANDER FLICHT

The CHAIRMAN. State your name, your place of residence, and your present business or occupation.

Mr. FLICHT. Alexander Flicht, 6 North Hamlin, manager of the Midwest Buildings.

The CHAIRMAN. Midwest Buildings? Does that include the Midwest Hotel Corp.?

Mr. FLICHT. It does.

The CHAIRMAN. How long have you been manager of those properties?

Mr. FLICHT. Ten years.

The CHAIRMAN. Ten years?

Mr. FLICHT. Since August 1947.

The CHAIRMAN. You have heard the Chair state to other witnesses, or advise them, rather, of their rights to have counsel present if they desired?

Mr. FLICHT. I did.

The CHAIRMAN. You waive counsel, do you?

Mr. FLICHT. I do.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Flicht, there is one transaction I want to ask you about, and that was brought up this morning, about the \$3,500 paid to the hotel, the Midwest Hotel Corp. for the cancellation of the lease. You are familiar with that?

Mr. FLICHT. I am.

Mr. KENNEDY. That was paid in April 1956 to cancel the lease for the remaining months, some 16 months, as I understand it. When the check was forwarded to you, you had some conversations with Mr. Conforti preceding that?

Mr. FLICHT. Yes, sir.

Mr. KENNEDY. And you received this check for \$3,500?

Mr. FLICHT. Yes, sir.

Mr. KENNEDY. What did you do with the check once you received it?

Mr. FLICHT. I cashed it and paid some rent with it.

Mr. KENNEDY. Did it go through the regular books and records of the Midwest Hotel Corp.?

Mr. FLICHT. It did not.

Mr. KENNEDY. Did anybody in the Midwest Hotel Corp. know that you had received the \$3,500, other than yourself?

Mr. FLICHT. I don't know whether they know or not. The immediate bookkeeping man didn't know, or the girl in the office didn't know.

The CHAIRMAN. Didn't know, or did?

Mr. FLICHT. Did not.

Mr. KENNEDY. You just took the check out and cashed it, did you?

Mr. FLICHT. Yes, sir.

Mr. KENNEDY. And no one knew you had the money, except yourself; is that right?

Mr. FLICHT. That, I couldn't say.

Mr. KENNEDY. I mean, you didn't tell anyone?

Mr. FLICHT. When Mr. Conforti, or the bakery workers, biscuit workers, started to move out of the premises, and they started to give us notice, I consulted my people and they told me to make a deal with them, a settlement with them. I come in and I asked them for the money. It was 14 months that were due on the lease. And the next thing I knew, I had the check for the full amount for 14 months. The understanding that I had was that it was to be more or less of an escrow account, with permission for them to sublet, or we to rent it, if we found a suitable tenant that would meet the approval of the building. The money would be refunded or they could pay to them if it was sublet.

Mr. KENNEDY. At that time, did you sign a contract with them so it would be clearly understood by all parties?

Mr. FLICHT. No, but at a future date there was a contract signed.

Mr. KENNEDY. What was the future date?

Mr. FLICHT. It was a few months later; several months or a few months later.

Mr. KENNEDY. How many months later?

Mr. FLICHT. About 4 or 5 months; 6 months.

Mr. KENNEDY. Actually, the contract was canceled even though the \$3,500 was paid in April 1956; the contract was cancelled, it reads, February 5, 1957. You had that cash all that period of time?

Mr. FLICHT. Yes, sir.

Mr. KENNEDY. Just tell me, Do you ordinarily proceed in that fashion when someone sends money in?

Mr. FLICHT. We had hopes of renting it, and we tried to rent it by advertising in the Chicago Tribune. We weren't able to rent it. There were other conditions in the lease after they moved in, 2 months or so, where they put some air conditioners into the window, and by doing so they damaged the window and it had to be either replaced or a settlement. We also remodeled the place at the expense of \$3,700.

Mr. KENNEDY. I am not talking quite about that. I am talking about the fact that you got a check for \$3,500.

Mr. FLICHT. I am trying to tell you why the check was there. It was because of the initial cost. It cost us \$3,700 to remodel the place on a \$6,000 lease. The gross was \$6,000.

Mr. KENNEDY. But nobody knew about the \$3,500 other than you, as I understand it; you and Mr. Conforti?

Mr. FLICHT. I think other people—they knew about it, but they didn't know how I kept it or what exactly transpired. But they

had a general idea that they weren't going to be released without paying. They knew.

The CHAIRMAN. I don't understand about this check. When you got it, I assume it belonged to the company. I do not know why you did not enter that or put it into the records of the company.

Mr. FLICHT. We had hopes of renting it. It should have been entered. It was not entered. There were four payments, but there should have been this, more or less.

The CHAIRMAN. What did you do with the money when you cashed the check?

Mr. FLICHT. It was cashed. It was put into the safe. It was put in, more or less, in an envelope, in an escrow account, and as the months came due there were payments made; there were four payments, I believe, made.

The CHAIRMAN. In other words, you kept that envelope with the money in it and, as payments came to you each month, you recorded the payments as if made by the lessee?

Mr. FLICHT. That is right, sir.

The CHAIRMAN. And those payments were made for 4 months?

Mr. FLICHT. Yes, sir.

The CHAIRMAN. And what happened to the rest of the money?

Mr. FLICHT. It just stayed there in the envelope.

The CHAIRMAN. Is it still there?

Mr. FLICHT. It is still there.

The CHAIRMAN. I guess it ought to be accounted for someday.

Mr. FLICHT. It will be. This is the end of the month.

The CHAIRMAN. This is the end of the month?

Mr. FLICHT. This is the end of their lease.

Mr. KENNEDY. Did any of this money go back to Mr. Conforti?

Mr. FLICHT. No, sir. It was always in the safe.

Mr. KENNEDY. You never gave any money to Mr. Conforti?

Mr. FLICHT. No, sir.

Senator McNAMARA. You made a statement about \$3,700 being spent. Was this at the time they moved in?

Mr. FLICHT. Yes, sir.

Senator McNAMARA. This is what we normally refer to as for tenant changes?

Mr. FLICHT. Yes, sir; we remodeled to suit them.

Senator McNAMARA. To suit the tenant?

Mr. FLICHT. Yes, sir.

Senator McNAMARA. And you figure that this money that was made in payment was justified in view of this expenditure of \$6,000 for the lease?

Mr. FLICHT. It was \$3,000 a year for 2 years; \$250 a month.

Senator McNAMARA. As a representative of the management company, the Midwest Co., you thought this was proper, to get the additional payments because of the general changes involved; is that correct?

Mr. FLICHT. Yes, sir.

Senator McNAMARA. And you think at this point that the money should go to the Midwest Co. because of that expense?

Mr. FLICHT. Yes, sir.

Senator McNAMARA. As far as this company is concerned, it will so go; is that it?

Mr. FLICHT. Yes, sir.

The CHAIRMAN. If there are no other questions, thank you very much.

The committee will stand in recess until 10 o'clock in the morning.

(Thereupon, the committee recessed at 5:05 p. m., with the following members present: Senators McClellan and McNamara; to reconvene at 10 a. m., Friday, June 7, 1957.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

FRIDAY, JUNE 7, 1957

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES IN THE LABOR
OR MANAGEMENT FIELD,
Washington, D. C.

The select committee met at 10 a. m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Sam J. Ervin, Jr., Democrat, North Carolina; Senator Pat McNamara, Democrat, Michigan; Senator Barry Goldwater, Republican, Arizona; Senator Carl T. Curtis, Republican, Nebraska.

Also present: Robert F. Kennedy, chief counsel; George M. Kopeccky, assistant counsel; James F. Mundie, investigator; Ruth Young Watt, chief clerk.

(Members present at the convening of the session: Senators McClellan, McNamara, and Goldwater.)

The CHAIRMAN. The committee will come to order.

Mr. Counsel, call your next witness.

Mr. KENNEDY. The first witness will be a relatively short witness, Mr. Joseph Tenczar.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. TENCZAR. I do.

TESTIMONY OF JOSEPH TENCZAR

The CHAIRMAN. Please state your name, your place of residence and your business or occupation.

Mr. TENCZAR. My name is Joseph Tenczar, 654 Rogers Avenue, Brooklyn, N. Y. I am a baker.

The CHAIRMAN. You are a baker by trade?

Mr. TENCZAR. That is correct, sir.

The CHAIRMAN. Have you talked to members of the staff, Mr. Tenczar, regarding the information you have that you may be able to give to the committee?

Mr. TENCZAR. I have.

The CHAIRMAN. Have you been advised that under the rules of the committee, if you desire, you are permitted to have counsel present to advise you of your legal rights while you are testifying?

Mr. TENCZAR. I have so been advised, Mr. Chairman, and I don't need any legal advice.

Mr. KENNEDY. You are a member of the bakers union?

Mr. TENCZAR. That is correct, sir.

Mr. KENNEDY. You were a business agent; is that correct?

Mr. TENCZAR. That is correct, sir.

Mr. KENNEDY. A business agent for what local?

Mr. TENCZAR. Bakers Union Local No. 3.

Mr. KENNEDY. In New York City?

Mr. TENCZAR. That is correct, sir.

Mr. KENNEDY. You were suspended?

Mr. TENCZAR. I was suspended from my job; that is correct.

Mr. KENNEDY. Is that your official penalty of being suspended or were you ousted from the union?

Mr. TENCZAR. I was not suspended, sir. I was removed from my job.

Mr. KENNEDY. You were removed from your job?

Mr. TENCZAR. Yes, sir.

Mr. KENNEDY. Was that ostensibly for taking \$125?

Mr. TENCZAR. That is correct.

Mr. KENNEDY. When did you take the \$125?

Mr. TENCZAR. In September or October of 1954, which I declared in my 1954 income tax and State tax.

Mr. KENNEDY. What did you receive the \$125 for, what services did you perform?

Mr. TENCZAR. I performed this service: In 1954, a bakery was closed, located at 420 Avenue P, Brooklyn, N. Y. I approached a Mr. Louis Kalmis, whom I knew very well, and I happened to have been working with him before I was a business agent. Knowing that he was a good baker I told him:

Mr. Kalmis, why don't you open this bakery, it will do very well, and I am quite sure that you could make a good thing of this bakery.

Mr. Kalmis at that time told me:

Joe, in the event I should open this bakery, I will make sure that you get something out of it.

I told Mr. Kalmis I had no intentions whatsoever of receiving any gratitude. My sole purpose was to have this place opened, and there was money owed to the employees of this place, amounting to roughly about \$2,500, and that was my sole interest.

That bakery was eventually opened in August of 1954.

At that time, I had already the men set up to go to work in this place, and I had gone on vacation. When I came back from my vacation, the bakery was already open.

The CHAIRMAN. What did he pay you the \$125 for? It is not quite clear.

Mr. TENCZAR. This \$125, Senator McClellan, was given to me as a part commission. I was not the broker. The broker there was a man by the name of, I believe his name was Sam, and his last name is Lustoff, since deceased.

The CHAIRMAN. Where is there a brokerage fee in opening up a place of business? I do not quite understand that.

Mr. TENCZAR. Mr. Sam Lustoff was the broker.

The CHAIRMAN. Where does a broker come into play when a fellow wants to open up a business?

Mr. TENCZAR. Well, sir, I don't know the legal technicalities of this. That the deal was consummated somewhere up in New York, and I was not present and I had no knowledge of it until it was brought up at my trial.

The CHAIRMAN. Was the broker ostensibly securing goods or services or something for the proprietor of the business?

Mr. TENCZAR. I understand that the mortgage—

The CHAIRMAN. He probably secured a loan so the man could open up the business?

Mr. TENCZAR. I wouldn't know anything about that.

The CHAIRMAN. But you got a part of the broker's fee?

Mr. TENCZAR. That is correct, sir.

The CHAIRMAN. Without knowing what services the broker performed?

Mr. TENCZAR. I knew nothing of what he had done, sir.

The CHAIRMAN. And that fee or that part of the broker's commission was given to you gratuitously without your requesting it or demanding it?

Mr. TENCZAR. I demanded nothing, and I requested nothing. I was called to an attorney's office, an attorney by the name of Sam Goldswat.

The CHAIRMAN. I believe you had kind of lined up some employees, had you, so if he opened he would have personnel and employees to operate the business.

Mr. TENCZAR. That is correct, sir.

The CHAIRMAN. You had done that?

Mr. TENCZAR. That is correct, sir.

The CHAIRMAN. And those employees did go to work for him?

Mr. TENCZAR. They did not, sir.

The CHAIRMAN. They did not?

Mr. TENCZAR. No, they did not. When I came back, I found an entirely different crew, and in fact I found men that did not belong to local 3 in the shop. That is from my vacation.

The CHAIRMAN. Did you accept the \$125 before or after your vacation?

Mr. TENCZAR. After the shop was opened, which was after my vacation. The shop opened in August of 1954, and I received this \$125 in September or October of 1954, which I stated before I reported it in my 1954 State and Federal taxes.

The CHAIRMAN. You were business agent for the local at that time?

Mr. TENCZAR. That is correct, sir.

The CHAIRMAN. Now, did you make any promise or was there any agreement or understanding that you would not try to unionize the plant?

Mr. TENCZAR. The shop was a union shop, and I made no promises whatsoever.

The CHAIRMAN. It was a union shop?

Mr. TENCZAR. It was a union shop.

The CHAIRMAN. Was there any consideration about wages or working conditions that entered into the transaction in which you received \$125?

Mr. TENCZAR. No, sir. According to the records I reported everything to my executive board of local No. 3, and I had always complaints about this same Mr. Louis Kalmis.

The CHAIRMAN. You had what?

Mr. TENCZAR. I had always been complaining about this same Mr. Louis Kalmis.

The CHAIRMAN. About it not being unionized?

Mr. TENCZAR. About not getting the proper men in the shop, and the men are complaining about the employer.

The CHAIRMAN. Not having enough personnel, did you think, to operate it?

Mr. TENCZAR. That is correct, sir.

The CHAIRMAN. Did you report the \$125 to your superiors in connection with your reports on your activities?

Mr. TENCZAR. I did not report it to my superiors, sir, but at one time in 1954 I was walking to a restaurant with a Mr. David Geffer who is an international representative, and I at that time told him, "Dave, I received \$125 for this." Mr. David Geffer told me, "Joe, don't say anything about it."

The CHAIRMAN. Was he your superior?

Mr. TENCZAR. No; he was an international representative at that time, and he still is.

I told him, "Dave, did I do something wrong?" And he said, "No, but you know you shouldn't spread that around."

I want to state here, sir, that I told it to everybody, and I never held it back a secret from anybody, but I believe the stand I have taken in local 3 is that I have been prosecuted for that.

The CHAIRMAN. The Chair was only trying to get the whole picture and get it clearly before us.

Mr. Counsel, you may proceed with the interrogation.

I did not quite understand the circumstances, and I wanted to make the record clear.

Mr. KENNEDY. Now, Mr. Tenczar, you were suspended on what day?

Mr. TENCZAR. On February 6, 1957.

I was not suspended, sir. I was relieved of my duties.

Mr. KENNEDY. On that date?

Mr. TENCZAR. Yes, sir.

Mr. KENNEDY. What was the date again?

Mr. TENCZAR. February 6, 1957.

Mr. KENNEDY. February 6, 1957?

Mr. TENCZAR. Yes, sir.

Mr. KENNEDY. What do you understand was the reason that you were removed from your duties on that day?

Mr. TENCZAR. My opinion, sir, is this: Since the merger of local 3 into one big local, in June of 1955, I believe—I believe that is correct, we merged into one union, namely, local 1, local 3, and local 17 and local 288, and local 64 and 579; these locals combined into one local in the city of New York—since the merger of these locals, I haven't liked a lot of things that have been going on, and I have been outspoken in my criticism of different things; that is, such as dinners and collections.

Mr. KENNEDY. Specifically, was there one dinner and one collection that you were particularly critical of?

Mr. TENCZAR. I was very critical of the Max Kralstein dinner.

Mr. KENNEDY. Of what dinner?

Mr. TENCZAR. The Max Kralstein.

Mr. KENNEDY. Who is he?

Mr. TENCZAR. An international vice president.

Mr. KENNEDY. When did that dinner take place?

Mr. TENCZAR. That dinner took place, I believe, in June of 1956. I did not attend.

Mr. KENNEDY. How was it arranged, and how was that dinner handled?

Mr. TENCZAR. That dinner was brought before the executive board—I am sorry, a recommendation was brought to local 3, of the executive board, I would say, in March or April of 1956, claiming that a dinner would be held for Max Kralstein in appreciation for his efforts for merging these 6 locals into 1 great local in the city of New York.

Mr. KENNEDY. To attend the dinner, was it going to be members of the bakers union, or were there going to be outsiders?

Mr. TENCZAR. There was everybody in the city, whoever you could catch.

Mr. KENNEDY. How did you go about catching them?

Mr. TENCZAR. Going around to the shops that I have, which were about, I should say, 60 or 61 shops, and approaching each individual employer, and asking him to either buy a ticket, which was costing \$25, an ad for the journal, and the least for that would be \$50. Also to go along to the members that are working in the shop, and making collections among them—say, if a place had 10 employees working, each one would give \$1.50 or \$2, until it came to \$25—to put the names in a hat and one member would attend the dinner.

Mr. KENNEDY. Did you feel that this was pressure on the employers and employees?

Mr. TENCZAR. I most certainly did.

Mr. KENNEDY. Did you voice your objection to the dinner?

Mr. TENCZAR. I did at all times in the shops that I went to.

Mr. KENNEDY. Did you feel that the employers thought that they had to give to this dinner or otherwise they would have difficulty with the union?

Mr. TENCZAR. I most certainly did. Max Kralstein is called a little dictator in New York.

The CHAIRMAN. Let me understand now.

You went to the employer where you had union people working, and operating a bakery, and you went to the employer and the proprietor of the business, and you required him as a minimum to buy one ticket for \$25 and to take an ad on the program?

Mr. TENCZAR. You had your name for \$50 on the program or an ad would cost up to \$50.

The CHAIRMAN. You could get your name on for \$50, and that was the minimum?

Mr. TENCZAR. That is correct, sir.

The CHAIRMAN. If you wanted an ad, you had to pay more than the \$50?

Mr. TENCZAR. That is correct.

The CHAIRMAN. So the minimum to any employer was \$75, as a minimum?

Mr. TENCZAR. I wouldn't say that, sir. I would say a minimum of \$25. If an employer took a ticket, he didn't necessarily have to take an ad. I know I never forced them.

The CHAIRMAN. I wanted to clear it up. If he took a ticket, then he did not have to take an ad?

Mr. TENCZAR. Not necessarily, sir.

The CHAIRMAN. So the minimum was \$25 and not \$75?

Mr. TENCZAR. That is correct, sir.

The CHAIRMAN. But, if he took an ad to get his name on the program, or whatever advertising it was, the minimum was \$50 for that?

Mr. TENCZAR. That is correct, sir.

(At this point, Senator Curtis entered the hearing room.)

The CHAIRMAN. Now, in addition to that, the employer was expected, was he, to go out and sell at least one ticket among the membership?

Mr. TENCZAR. Not the employer. That was the business agent's duty.

The CHAIRMAN. That was the business agent's duty, and the employer was not required to sell to his employees?

Mr. TENCZAR. No, sir.

The CHAIRMAN. But the business agent in whose jurisdiction that place of business was—he was supposed to go to the employees and urge them to take up a collection until it amounted to at least enough to purchase one ticket?

Mr. TENCZAR. That is correct.

The CHAIRMAN. That is the way the dinner was set up?

Mr. TENCZAR. That is correct, sir.

The CHAIRMAN. Would you tell us, Do you know how many bakeries there were, different places of business, in New York, at that time, that were contacted for that purpose? If you do not know the exact number, would you give us as near an estimate as you can?

Mr. TENCZAR. Sir, I couldn't give you a near estimate, but I can make this statement, that I don't think that there was one that was overlooked.

The CHAIRMAN. What is that?

Mr. TENCZAR. I don't think that there was one that was overlooked.

The CHAIRMAN. That was overlooked?

Mr. TENCZAR. That is correct.

The CHAIRMAN. That may be true, and I was asking what was the total number of places that may have been contacted.

Mr. TENCZAR. I couldn't state that, sir.

The CHAIRMAN. You have no idea about that?

Mr. TENCZAR. No, sir.

The CHAIRMAN. Thank you very much.

Senator GOLDWATER. Could I ask one question?

Suppose that an employee or union member refused to buy a ticket, or refused to chip in \$1.50 or \$2. What would happen to that person?

Mr. TENCZAR. Sir, I state here at this time that I did not force it in the shops that I was assigned to.

Senator GOLDWATER. What would the other stewards have done?

Mr. TENCZAR. I don't know, sir. I don't know. I know in the shops that I represented, I think that I only sold two tickets.

Senator GOLDWATER. But you know of no instances of retaliation?

Mr. TENCZAR. I do not; no, sir.

Senator GOLDWATER. Thank you.

Senator McNAMARA. On the same subject, you were asked to go out and sell the tickets. Who asked you to go out to sell the tickets?

Mr. TENCZAR. The executive board of local union No. 3.

Senator McNAMARA. Were you a member?

Mr. TENCZAR. I am. I was an officer at that time.

Senator McNAMARA. Then you and the other officers decided that all of the officers should go out and try to sell tickets to make the dinner a success? Was that it?

Mr. TENCZAR. Sir, we are run by the executive board in local 3, and still the same way, and when we are given orders by local 3 we must do them.

Senator McNAMARA. Then you say yes to my question?

Mr. TENCZAR. Yes, sir.

Senator McNAMARA. What if an employer did not buy a ticket? Did all employers buy a ticket?

Mr. TENCZAR. Not necessarily. I know one thing; that, if the employer didn't buy, we were given strict orders on the executive board of local 3 that, if we could not get an employer to buy anything, give it over to a team, and a team was set up especially for this reason in the event I went to an employer and he refused me. I could report to this team, and this team would go out and see what they could do.

Senator McNAMARA. Did the team do any different than what you did?

Mr. TENCZAR. I suppose they went in and said, "Listen, Max Kralstein is an international vice president, you know, and he negotiates the contracts in the city of New York, and he has been doing it for the last 4 or 5 years, and maybe he will give you a break, I don't know." It could be one of those things.

Senator McNAMARA. You don't know?

Mr. TENCZAR. I couldn't say, definitely.

Senator McNAMARA. You didn't sell a ticket to every employer?

Mr. TENCZAR. No.

Senator McNAMARA. But you did report in every instance to the so-called team.

Mr. TENCZAR. Not necessarily, sir. I did, but not all of them.

Senator McNAMARA. Now you have it both ways; you did and you didn't.

Mr. TENCZAR. I did some, and some I didn't.

Senator McNAMARA. All right.

Mr. KENNEDY. You had contracts in these bakeries; the union had contracts in these bakeries that you went to?

Mr. TENCZAR. Yes, sir.

Mr. KENNEDY. And you, yourself, were in charge of negotiating contracts?

Mr. TENCZAR. No, sir; not necessarily.

Mr. KENNEDY. Would you have any authority to determine wages or conditions or hours or complaints or whatever they might be in a particular plant where you went; a bakery?

Mr. TENCZAR. Under contract, you mean?

Mr. KENNEDY. Yes.

Mr. TENCZAR. Under contract, it was my duty to enforce the contract in the shop under my jurisdiction.

Mr. KENNEDY. So you had a position of power in that bakery, did you not?

Mr. TENCZAR. Yes, sir.

Mr. KENNEDY. And if you felt that somebody was not contributing sufficiently, it was in your power to make it difficult for them.

Mr. TENCZAR. I could if I wanted to, I suppose.

Mr. KENNEDY. Did you feel that this was a form of extortion, this type of practice; is that why you objected to it, or why did you object to it?

Mr. TENCZAR. I wouldn't say it was extortion.

Mr. KENNEDY. What would you call it, and why did you object to it?

Mr. TENCZAR. I objected strenuously to the different dinners going on, and I couldn't see how in the world I could go along to a shop and enforce the conditions in the shops, and every 5 or 6 months coming with something different to sell. I didn't like that. I was objecting to it at all times at the executive board of local 3.

Mr. KENNEDY. Do you think that the employers might feel that they had to contribute or otherwise they might have some difficulty with the union?

Mr. TENCZAR. I know, if I was an employer, I would.

The CHAIRMAN. Why?

Mr. TENCZAR. Well, I figure a business agent, if he wanted to, he could cause a lot of trouble for the employer.

The CHAIRMAN. How?

Mr. TENCZAR. By taking out men, certain men. At the present time, bakers in the city of New York are scarce, and a skilled worker is hard to get. You take them out and replace them with another man. I have never done it.

The CHAIRMAN. Has it been done?

Mr. TENCZAR. I am quite sure it has.

Mr. KENNEDY. Is there anything else on this dinner that you would want to add?

Mr. TENCZAR. Well, I know it has come to my attention that at this dinner there was approximately \$100,000 raised, and I know that Mr. Kralstein has bragged quite a few times in the presence of employers, and it has come to my ears, that he had received \$56,000 of this money.

The CHAIRMAN. You mean all of the surplus that is collected above the expenses for the dinner, he got as a gratuity or a gift?

Mr. TENCZAR. I understand that \$56,000—he had made that statement during negotiations.

The CHAIRMAN. You mean you have heard him make such a statement?

Mr. TENCZAR. I have not heard him mention it, but it has come to my attention.

The CHAIRMAN. Then you can't swear that you heard him say it?

Mr. TENCZAR. No, sir; I cannot.

The CHAIRMAN. Approximately, are you reasonably certain about the total amount raised, approximately \$100,000?

Mr. TENCZAR. I would be quite sure \$100,000, sir.

The CHAIRMAN. And they gave a dinner, and do you know how many attended?

Mr. TENCZAR. The place was filled up.

The CHAIRMAN. What place?

Mr. TENCZAR. It was the Waldorf-Astoria, I believe.

The CHAIRMAN. Do you know what the plates cost?

Mr. TENCZAR. I understand the plate would cost about \$19.

The CHAIRMAN. You mean \$19 actual cost?

Mr. TENCZAR. That would be everything included; tips included, and all.

The CHAIRMAN. Tips and everything else?

Mr. TENCZAR. Yes, sir.

The CHAIRMAN. It was a pretty fancy dinner.

Mr. KENNEDY. Actually \$85,470 was raised. That is just a correction. We have these records, and we will put them in with the next witness.

Senator McNAMARA. Do I understand the statement of the attorney that that was the profit on the dinner or the total amount raised?

Mr. KENNEDY. The total amount raised was \$85,470. The sale of tickets was \$33,825. The income from the souvenir journal was \$51,645, making a total of \$85,470; and the disbursements were printing and stationery, \$31,034; banquet expense, \$17,965.26; postage was \$30; portrait for guest of honor, \$1,447.21; gift to guest of honor, \$57,000; gift to guest of honor's wife, \$1,650; printing of journal, \$6,250; bank charge, 25 cents; total disbursements, \$84,651.06. Balance of cash in bank as of August 29, 1956, \$818.94.

Out of that, paid out September 4 to Max Kralstein, \$250, and paid out September 13, 1956, to Max Kralstein, \$618.94. So that \$818 went to him, also.

That is \$57,000 to the guest of honor, plus the gift to the guest of honor's wife, \$1,650, plus the \$818.94.

Senator CURTIS. Mr. Chairman, I would like to ask the witness this question: You referred to the raising of this money from employers and it was to their advantage to pay it. What would be said to these employers when they would be asked to buy tickets for this testimonial dinner?

Mr. TENCZAR. Do you want to know what I said?

Senator CURTIS. Yes; or just an illustration of what type of conversation would be carried on when an employer was put on the spot to buy these tickets.

Mr. TENCZAR. I can only speak for myself, sir.

This I can say: I went to each employer, and as I said before, I had 60 or 62 employers under my jurisdiction. I went to them and I approached each and every one individually. I told them, "This is for Max Kralstein. It is supposed to buy a home for him, and I think it would be a good idea to contribute something to it."

As I stated before, and as I repeat myself, Max Kralstein has been negotiating contracts in the city of New York, to my knowledge, since I have been a business agent. I have not had to go ahead and negotiate myself, although I am quite sure I am as capable as Brother Kralstein is.

Senator CURTIS. Of those sixty-some employers that you dealt with, how many employees would the smallest one have?

Mr. TENCZAR. I beg pardon?

Senator CURTIS. Of those sixty-some employers that you dealt with, when you were business agent, one of the smallest companies, how many employees would it have?

Mr. TENCZAR. One.

Senator CURTIS. Just one?

Mr. TENCZAR. That is correct.

Senator CURTIS. And how much would such an employer be asked for?

Mr. TENCZAR. The least he could give was either \$25 for a ticket or \$50 for his name in the journal.

Senator CURTIS. And most of them responded?

Mr. TENCZAR. In my jurisdiction it was very poor showing, because I didn't use too much influence on it.

Senator CURTIS. You didn't have your heart in it.

Mr. TENCZAR. That is correct.

The CHAIRMAN. Are there any other questions?

Mr. KENNEDY. You were removed from your job for receiving \$125 from an employer; is that right?

Mr. TENCZAR. The way I received it, that the international was prosecuting me for this.

Mr. KENNEDY. Do you know if the majority of the money raised for this dinner, if the majority of the \$85,000 came from employers?

Mr. TENCZAR. I am positive of that, sir.

Senator McNAMARA. I would like to ask the witness a question. How do you get your job as business agent in the first place?

Mr. TENCZAR. I was appointed first and I will have to consult my records, but I believe I was appointed—

Senator McNAMARA. I am not asking how. Was the local under receivership?

Mr. TENCZAR. The local was under trusteeship.

Senator McNAMARA. You were appointed by whom?

Mr. TENCZAR. I was appointed by Mr. David Gefter.

Senator McNAMARA. He was vice president in charge of that?

Mr. TENCZAR. He was trustee.

Senator McNAMARA. He was the trustee appointed by the international?

Mr. TENCZAR. Yes; and at that time, sir, it was an old local 3 located at 94 Willowby Avenue, in Brooklyn, and not this local at the present time.

Senator McNAMARA. Who was the international president at that time?

Mr. TENCZAR. At that time the international president I believe was Schnitzler.

Senator McNAMARA. And he appointed the trustee and the local was in trusteeship and you were appointed as a business agent by the man in charge of the affairs?

Mr. TENCZAR. About a year after the trusteeship came in.

Senator McNAMARA. Were you business agent previously, or were you a baker previously?

Mr. TENCZAR. I was a baker and a member of the local joint executive board.

Senator McNAMARA. Is the local still, the new local 3, the combination of all of these others, still under trusteeship?

Mr. TENCZAR. No, sir; it hasn't been under trusteeship for more than 5 years.

Senator McNAMARA. Now, they elect their own officer and run their own affairs?

Mr. TENCZAR. Yes, sir, and I was elected the last four times.

Senator McNAMARA. Was the local under trusteeship, or was it not in this case?

Mr. TENCZAR. It was not.

Senator McNAMARA. This originated in the executive board, the recommendation?

Mr. TENCZAR. It came from what we call the planning committee and the planning committee recommended it to the executive board.

Senator McNAMARA. And it was approved by the rank and file at the next meeting, the following meeting?

Mr. TENCZAR. The executive board is the governing body of local No. 3.

Senator McNAMARA. And at the following meeting do they report their activities between meetings?

Mr. TENCZAR. They do, but the general membership hasn't anything to say because they can't go ahead and overrule anything that the executive board does, unless it is a referendum vote.

Senator McNAMARA. So they accepted the report of the executive board at the following meeting and as far as you can see, this was all legitimate.

Mr. TENCZAR. That is correct.

The CHAIRMAN. Are there any other questions?

Thank you very much, then, Mr. Tenczar.

Mr. TENCZAR. Senator, may I make a statement, please?

Senator, I would like to make this statement because I don't know, there may be some repercussions from my testifying here. I want it to be known that I did not come here voluntarily, and I came here under subpena. How Mr. Kopecky got in touch with me, I don't know. But I know he called me at my place of employment and I will say about 4 or 5 weeks ago, and I would have to look into my records to tell, and he spoke to me on the phone at my place of employment about 11 o'clock at night.

He asked me different questions. I told Mr. Kopecky at that time I didn't want to speak to him on the telephone because I didn't know who he was. Then, I received a subpena to appear here, which I did, last Sunday. I am here again.

The CHAIRMAN. You are here under subpena.

Mr. TENCZAR. I am still under subpena.

The CHAIRMAN. It is immaterial how the committee or the staff may have found out that you had information that the committee desired. That is immaterial. I would say this for you, sir. I hope there are no repercussions, and if you have told the truth, and I assume that you have, and I think that you are to be commended for coming here and not voluntarily but in response to a subpena from a duly constituted agency and authority of your Government, responding to it and coming and telling the truth and not hiding behind the fifth amendment.

Mr. TENCZAR. Thank you, sir.

The CHAIRMAN. Your testimony is appreciated, and thank you very much.

Mr. TENCZAR. Thank you.

The CHAIRMAN. Call the next witness.

Mr. KENNEDY. Mr. Joseph Kramer.

The CHAIRMAN. Mr. Kramer, will you be sworn?

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. KRAMER. I do.

TESTIMONY OF JOSEPH KRAMER

The CHAIRMAN. Will you state your name, and your place of residence and your business or occupation, Mr. Kramer?

Mr. KRAMER. My name is Joseph Kramer, and I have a bakery business at 1643 Second Avenue.

The CHAIRMAN. If you will speak just a little louder; pull the microphone up a little closer to you.

Is that in New York City?

Mr. KRAMER. Yes, sir.

The CHAIRMAN. How long have you been in the bakery business?

Mr. KRAMER. I have been in the bakery business about 38 years.

The CHAIRMAN. About 38 years?

Mr. KRAMER. Yes, sir.

The CHAIRMAN. Mr. Kramer, have you talked to members of the staff of the committee regarding the information that you have?

Mr. KRAMER. Yes.

The CHAIRMAN. You are advised, I assume, or you know that you have a right, if you desire to have counsel present to advise you of your legal rights during the course of your testimony.

Mr. KRAMER. That is right.

The CHAIRMAN. Do you waive that right?

Mr. KRAMER. Yes, sir.

The CHAIRMAN. Thank you very much.

Mr. KENNEDY. Mr. Kramer, you have a small bakery in New York City?

Mr. KRAMER. Yes, sir.

The CHAIRMAN. How many employees do you have?

Mr. KRAMER. I have about 6 or 7, according to how the season is.

Mr. KENNEDY. How long have you had your bakery shop?

Mr. KRAMER. I have had my bakery shop about 21½ years, and I used to be on 87th Street before, and I opened my new place 21½ years ago.

Mr. KENNEDY. How many years ago?

Mr. KRAMER. Two and a half years ago.

Mr. KENNEDY. Will you please speak up and that will make it easier.

Mr. KRAMER. All right.

Mr. KENNEDY. Now, the employees in your shop, are they members of a union?

Mr. KRAMER. Yes, sir.

Mr. KENNEDY. What union are they members of?

Mr. KRAMER. Local 3.

Mr. KENNEDY. Local 3 of the bakers union?

Mr. KRAMER. Yes, sir.

Mr. KENNEDY. Were you approached within the past year or so, Mr. Kramer, to contribute to a dinner for Max Kralstein?

Mr. KRAMER. Yes.

Mr. KENNEDY. Could you tell us about that?

Mr. KRAMER. Yes, a business agent by the name of Hart.

Mr. KENNEDY. Would you speak up, please?

Mr. KRAMER. He approached me in the shop and he was very nice, and he did not threaten me, and he said, "We have a dinner for Mr. Kralstein." and I said, "Who is Mr. Kralstein, I never heard of the man. I don't know him."

"Well," he said, "he has done a wonderful job and we are giving him a dinner."

Mr. KENNEDY. I am sorry to interrupt, but can you just let your voice go out a little bit?

(At this point, Senator Curtis withdrew from the hearing room.)

The CHAIRMAN. For one minutes when you said something very clearly we could hear you, and if you could get your voice down like that again.

Mr. KRAMER. Mr. Hart approached me in the bakery shop and he was very nice, and he did not threaten me in any way, and he said, "We are having a dinner, and we are going to have a dinner for Mr. Kralstein." I said, "Who is Mr. Kralstein; I never heard of Mr. Kralstein." He said, "Well, he is with us and he did a good job by merging the union, and we want to give him a dinner."

"Well," I said, "that is all right, but I am not interested in that." He said, "Well, look, do you want to give us an ad, about \$50?" And I said, "I will give you \$25," and he said, "Well, no, \$50 is the minimum."

I said, "I have to think that over." I said, "I don't know whether I am interested in that." Well, about 4 weeks later, he came back and he asked me and I said, "Well, I have been thinking it over. I will give you \$100."

Mr. KENNEDY. You said you have been thinking it over, and you are going to give him \$100?

Mr. KRAMER. Yes, and I gave him a check of \$100. I said, "The reason I give you \$100 is that I feel if I don't give you anything, I am afraid something would happen again or so," and he said, "Oh, no, whether you give anything or not, that doesn't make any difference. We will not do anything or nothing will happen to you."

But I personally was afraid that it might happen because I had a rough time with the union, with disagreements.

Mr. KENNEDY. What sort of rough time did you have before?

Mr. KRAMER. Well, they had a picket line when I opened the new shop. I had a picket line for 7 months. I figured, "Well, that is not going to happen to me any more; I will give \$100."

Mr. KENNEDY. What happened when you had that picket line; was that difficult for you?

Mr. KRAMER. Yes. It was very difficult for me. I had to get my own deliveries and the people, there were some pickets that knocked cakes out of their hands.

Mr. KENNEDY. What is that?

Mr. KRAMER. Knocked the cakeboxes out of their hands.

The CHAIRMAN. That is your customers, when they would purchase things?

Mr. KRAMER. Yes, the customers, and they followed them around the block and scared them and also followed them to the bus and scared the people and people came in and said, "We are afraid to come in here. There is too much trouble." I don't want that to happen any more.

Mr. KENNEDY. You did not want that to happen any more.

Mr. KRAMER. No.

Mr. KENNEDY. Did you have some trouble with your eggs, too, your egg man?

Mr. KRAMER. I had a farmer who used to deliver the eggs from Pennsylvania and one morning he came in on a Saturday and he said, "I am sorry, I cannot supply you eggs no more. There were three fellows up to my farm and threatened me; if you bring more eggs to Kramer's we will burn your farm down." So he did not bring any more eggs and he said, "I am sorry, I can't do that."

I said, "Why don't you call the police?" "Well," he said, "I did call the police and the police also went there but we couldn't find anybody any more and nobody was there."

Mr. KENNEDY. For the reason of your past experience, you were afraid not to give money.

Mr. KRAMER. I was afraid, yes, and otherwise the union did not bother me whatsoever during the time and everything went smooth from there on, when it was straightened out.

The CHAIRMAN. What did you do to straighten it out?

Mr. KRAMER. I signed a contract. I signed a contract and I even asked for a privilege and it was granted to me, and I didn't have no more trouble from then on.

Mr. KENNEDY. Mr. Kramer, we have been interviewing some of the owners of bakeries up in New York City over a period of time and we have found that quite a number of them were reluctant to come down to testify such as you have done today.

Could you tell the committee why you have agreed to come and testify?

(At this point, Senator Curtis withdrew from the hearing room.)

Mr. KRAMER. Well, I don't know how many. I couldn't give you any exact figure.

Mr. KENNEDY. Why is it that you are willing to come and testify?

Mr. KRAMER. I went away from the boat in 1926—

Mr. KENNEDY. From the boat? Where did you come from originally?

Mr. KRAMER. From Germany. I went back in 1937.

Mr. KENNEDY. You were on a boat in 1926?

Mr. KRAMER. I went across. My father was very ill.

Mr. KENNEDY. The first time, you jumped ship in the United States?

Mr. KRAMER. In 1926.

Mr. KENNEDY. You came here into the United States and started to work here?

Mr. KRAMER. I lived in the United States. I thought it was a great country and I worked hard. I accomplished my own business. I went back in 1927 and—

Mr. KENNEDY. Why did you go back? I want you to tell the whole story.

Mr. KRAMER. My father was very ill. I got a telegram, "Come home, please; father is very ill. He is dying." So I come back. It took me 13 months to come back to the United States legal. I did not want to be illegal here any more. I wanted to become a citizen.

I became a citizen and I enjoy the United States. I enjoy breathing the air here. I love to be here. I can accomplish my own business, and I am really thankful. But since we straightened out with the union my business improved.

Mr. KENNEDY. Have you had any experiences in your background?

Mr. KRAMER. Yes. The experiences I had in Germany—

Mr. KENNEDY. You will have to start again. I wondered whether you had any experiences similar to this. You were going to tell about what happened to you in Germany.

Mr. KRAMER. Yes. They approached me, and I did not submit. People were scared and afraid that something would happen, that they would lose their job. That is what made me afraid. When I was giving a check for a hundred dollars I had the same feeling.

Mr. KENNEDY. You had a fear, even though they didn't say anything, you had a fear of their power?

Mr. KRAMER. Yes. I had a fear something would happen, but it did not. I hope nothing happens now.

Mr. KENNEDY. You enjoy a very good relationship with your employees now?

Mr. KRAMER. Yes, I do.

Mr. KENNEDY. And you have been in favor of unions; is that correct?

Mr. KRAMER. Yes; we have a union shop and we do have no difficulties. We work like a happy family, but the reason I was in fear about that check.

Mr. KENNEDY. Had you known Max Kralstein?

Mr. KRAMER. No.

Mr. KENNEDY. I notice in the ad that you got in the book, you put here, "Best wishes to Max, whom we love and respect." Did you send that in?

Mr. KRAMER. No, no; I did not.

Mr. KENNEDY. That was not made up by you?

Mr. KRAMER. No.

Mr. KENNEDY. It says, "Kramer's Pastries."

Mr. KRAMER. No; I did not. I never seen that.

Mr. KENNEDY. This is a testimonial dinner in honor of Max Kralstein.

Senator GOLDWATER. Mr. Kramer, when you lived in Germany, were you a baker?

Mr. KRAMER. Cologne, yes.

Senator GOLDWATER. In Cologne?

Mr. KRAMER. Yes.

Senator GOLDWATER. Did you belong to the bakers union in Cologne?

Mr. KRAMER. No. We don't have no bakers union, not at the time when I was there, before 1926. We had private organizations. I mean social clubs, like the bakers' club.

Senator GOLDWATER. When you opened your bakery shop in New York, did you go to the union to get employees?

Mr. KRAMER. No.

Senator GOLDWATER. You collected bakers?

Mr. KRAMER. No; I didn't go to the union.

Senator GOLDWATER. How long did you run your shop before you had to bargain with the union?

Mr. KRAMER. Seven months.

Senator GOLDWATER. They picketed your shop for 7 months?

Mr. KRAMER. For 7 months.

Senator GOLDWATER. They kept business away from you?

Mr. KRAMER. Yes.

Senator GOLDWATER. They destroyed cakes?

Mr. KRAMER. Yes.

Senator GOLDWATER. You had a hard time getting eggs?

Mr. KRAMER. I had a hard time to get everything.

Senator GOLDWATER. And did you say that they reminded you of what went on in Germany during the days of Hitler?

Mr. KRAMER. Yes.

Senator GOLDWATER. Do you know whether or not there is such a thing as compulsory unionism in any form in Germany?

Mr. KRAMER. Well, there they don't call it unions. They usually call it—I don't remember the name exactly.

Senator GOLDWATER. Or organizations of any kind?

Mr. KRAMER. Yes; a state organization.

Senator GOLDWATER. Let us say that you had this bakery shop in Germany. You would not have had to hire union help unless you wanted to?

(At this point, Senator Curtis entered the hearing room.)

Mr. KRAMER. That I couldn't tell you. I didn't have a shop in Germany when I was there. I am talking about the bakers union. I am talking about the fear I had, so that I bought the ticket.

Senator GOLDWATER. You had the same fear in Germany, but you did not have it necessarily from labor organizations or unions or clubs, whatever you want to call it, but it came more from police?

Mr. KRAMER. Well, yes. The state; it was the state.

Senator GOLDWATER. Mr. Kramer, I just wanted to get that from you because you are the first witness we have had who could testify to that from another country.

It is a very interesting thing. I am reading from page 17 from Information Bulletin Document No. 55-57, July 6, 1955, an inquiry on compulsory unionism from the International Association of Employers:

In Germany compulsory unionism does not exist as the constitution of the Federal Republic protects freedom of association in both senses. While it recognizes the right of a worker to become a union member, it also recognizes his right to abstain from such membership.

Consequently, no worker can be forced into membership with a trade union. Trade unions in Germany do not organize a shop, but the individual worker. Union closed-shop clauses in the limited sense of the word cannot, therefore, be negotiated within the Federal Republic of Germany.

You moved from Germany to the freest country in the world, the United States.

Mr. KRAMER. That is right; yes.

Senator GOLDWATER. And where freedom is our chief aim in life.

Mr. KRAMER. Yes.

Senator GOLDWATER. And where the freedom and dignity of the individual stands above everything.

Mr. KRAMER. Yes, sir.

Senator GOLDWATER. Yet the United States of America is the only country in the world——

Mr. KRAMER. It is the best country.

Senator GOLDWATER. That has written compulsory unionism into its laws. Do you not think that is rather strange; that, in this great, free country, we do things that the rest of the world will not do, and yet we claim to be the citadel of freedom? I just wanted to bring that out, because you are the first witness that we have had who has given me the opportunity to point that out. I am glad to hear observations on the way compulsion works.

Senator CURTIS. Mr. Chairman?

The CHAIRMAN. Senator Curtis.

Senator CURTIS. Were you through, Senator Goldwater?

Senator GOLDWATER. Yes.

Senator CURTIS. Where were you buying these eggs that you had difficulty with, with the eggman?

Mr. KRAMER. Pennsylvania.

Senator CURTIS. The farmer lived in Pennsylvania and he brought them into New York City?

Mr. KRAMER. That is right.

Senator CURTIS. They came from one State, crossed the State line, and brought these eggs to your bakery?

Mr. KRAMER. Yes.

Senator CURTIS. And these three men, representing the union, interfered with the delivery of them?

Mr. KRAMER. Those three men went to the farm.

Senator CURTIS. They went out to the farm?

Mr. KRAMER. They went out to Pennsylvania to the farmer; and scared the farmer. The farmer said to me, "I can't bring you no eggs. My wife got hysteria. I can't bring you no more eggs. I am sorry. I can't do it."

Senator CURTIS. Did he tell you what they said to him?

Mr. KRAMER. Yes; he told me.

Senator CURTIS. What was that?

Mr. KRAMER. Three men drove up to the farm and said to him, "Listen, if you don't stop selling eggs to Kramer in New York, we are going to come here and burn your farm down."

Senator CURTIS. And burn his farm down?

Mr. KRAMER. I never been in the farm.

Senator CURTIS. No; I asked you if they threatened to burn the buildings on his farm.

Mr. KRAMER. Yes, sir.

Senator CURTIS. I have one other thing. During the months that you did have a bad time with the union, were your own employees the ones that were promoting that bad time?

Mr. KRAMER. No.

Senator CURTIS. You got along with them all right?

Mr. KRAMER. Yes; very good.

Senator CURTIS. And they did not threaten your eggman?

Mr. KRAMER. No.

Senator CURTIS. And they did not molest the customers when they were coming in?

Mr. KRAMER. No.

Senator CURTIS. These were outsiders?

Mr. KRAMER. That is right.

Senator CURTIS. That is all.

The CHAIRMAN. Senator McNamara?

Senator McNAMARA. Mr. Chairman, I would like to ask the witness a few questions.

Mr. Kramer, getting back to the instance where the business agent came around and asked you to make a donation to the testimonial dinner; he asked you to give \$50, and you said you had to think it over, that you were not much interested at the time?

Mr. KRAMER. That is right.

Senator McNAMARA. After you thought it over for a while, he came back and you said, "I want to give \$100"?

Mr. KRAMER. Yes.

Senator McNAMARA. He did not ask for \$100, but he asked for \$50?

Mr. KRAMER. That is right. He asked for \$50.

Senator McNAMARA. You must have really been afraid. Did you live in Germany before Hitler?

Mr. KRAMER. Yes.

Senator McNAMARA. Did they have unions then?

Mr. KRAMER. No.

Senator McNAMARA. You are sure they did not have any labor organizations at all?

Mr. KRAMER. They did have, but not in our trade.

Senator McNAMARA. But they had unions?

Mr. KRAMER. Yes.

Senator McNAMARA. They had associations of workers, whether they called them unions or anything else?

Mr. KRAMER. Yes.

Senator McNAMARA. Was it not one of the first things that Hitler did; he put the leaders in jail?

Mr. KRAMER. I wasn't there at that time. I was in the United States at that time.

Senator McNAMARA. Do you know whether or not he did? You had people in Germany?

Mr. KRAMER. Yes.

Senator McNAMARA. They put labor leaders in jail, did they not, when Hitler first came into power?

Mr. KRAMER. All right; thank you.

The CHAIRMAN. Are there any other questions?

Mr. Kramer, the chairman wishes to thank you. I think it is very commendable of you to come and give us your testimony. Is there anything else you want to say?

Mr. KRAMER. Yes.

The CHAIRMAN. The Chair presents to you what purports to be the original check for \$100 that you gave to the dinner for Mr. Kralstein. (A document was handed to the witness.)

Mr. KRAMER. Yes.

The CHAIRMAN. Is that the check?

Mr. KRAMER. That is right.

The CHAIRMAN. That may be made exhibit No. 29.

(The document referred to was marked "Exhibit No. 29" for reference and will be found in the appendix on p. 3176.)

The CHAIRMAN. Thank you very much. I hope you do not encounter any difficulty. If you do, let us know.

Mr. KRAMER. Thank you.

The CHAIRMAN. Who is the next witness?

Mr. KENNEDY. Mr. LaVern Duffy, of the committee staff.

The CHAIRMAN. Mr. Duffy, come forward, please.

Mr. Duffy, you have not been previously sworn in this series of hearings, have you?

Mr. DUFFY. No, Senator.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. DUFFY. I do.

TESTIMONY OF LaVERN J. DUFFY

The CHAIRMAN. State your name, place of residence, and present employment.

Mr. DUFFY. My name is LaVern Joseph Duffy. I reside here in Washington, D. C. I am a staff member of the Permanent Investigating Committee of the United States Senate on temporary loan to this special select committee.

The CHAIRMAN. Thank you.

Mr. Kennedy, you may proceed.

(At this point, Senator McClellan withdrew from the hearing room.)

Mr. KENNEDY. Mr. Duffy, you have been making an investigation or study of the Max Kralstein dinner?

Mr. DUFFY. Yes, sir.

Mr. KENNEDY. You have interviewed a large number of the bakery owners in New York City?

Mr. DUFFY. Yes.

Mr. KENNEDY. Max Kralstein was a vice president of the bakers union?

Mr. DUFFY. That is correct.

Mr. KENNEDY. And that is in the New York area, is that right?

Mr. DUFFY. Local No. 3, New York City.

Mr. KENNEDY. During the course of that interrogation in this area of the bakery owners, did you receive some affidavits from some of these individuals?

Mr. DUFFY. Yes, sir.

Mr. KENNEDY. Do you have the affidavits with you?

Mr. DUFFY. I have them before me.

Mr. KENNEDY. Mr. Chairman, could Mr. Duffy read into the record some of the affidavits?

Senator GOLDWATER. Go right ahead.

Mr. DUFFY. I have an affidavit from Mr. Olaf Myboe. He is owner and manager of the Roslyn Bakery, located at 1520 Fifth Avenue, New York City.

Shall I read this affidavit in full, Mr. Kennedy, the first one?

Mr. KENNEDY. Yes.

Mr. DUFFY. It reads as follows:

AFFIDAVIT

I, Olaf Nyboe, owner and manager of the Roslyn Bakery, located at 1520 First Avenue, New York City, do freely and voluntarily make the following statement to Laverne J. Duffy, who has identified himself to me as a member of the staff of the United States Senate Select Committee on Improper Activities in the Labor or Management Field. No threats, force, or duress has been used to induce me to make this statement, nor have I received any promise of immunity from any consequences which may result from submission of this statement to the aforementioned Senate select committee.

On April 11, 1956, Mr. Ben Tiedeman, a representative from the Bakery and Confectionary Workers Union of America, Local No. 3, here in New York, visited my bakery. He wanted me to purchase space in the souvenir journal for the Max Kralstein testimonial dinner to be held in June of 1956. Incidentally, at the time the union delegate visited me I had never heard the name Max Kralstein before. I advised Mr. Tiedeman that I did not care to contribute to the dinner or purchase space in the journal. He would not take "no" for an answer and finally I compromised and said I would give \$25. He would not accept this amount and insisted that I give \$50. During our discussion no mention was made as to what the money was going to be used for. He kept pressuring me and I finally gave in. He made out a \$50 check to the Max Kralstein Committee and I signed it. I reiterate, I did not give the \$50 voluntarily, and gave it because I did not want to irritate the union and cause friction and possible trouble to myself. I do not know, nor have I ever met, Max Kralstein.

I have read the foregoing statement, and to the best of my knowledge it is true and correct.

(Signed) OLAF NYBOE.

Witness:

LAVERNE J. DUFFY.

Witness:

FRANCIS C. LLOYD.

Subscribed and sworn to before me at New York, N. Y., this 5th day of June 1957.

(Signed) S. Henry Schmerz,
S. HENRY SCHMERZ,
Notary Public.

State of New York. No. 31-3507300, qualified in New York County, commission expires March 30, 1959.

Mr. KENNEDY. He has a bakery up there, has he?

Mr. DUFFY. He runs a retail bakery shop in New York City.

Mr. KENNEDY. What is his name?

Mr. DUFFY. Roslyn.

Mr. KENNEDY. I notice from the testimonial dinner in honor of Max Kralstein that he has an ad in here which states, "Congratulations or your many great achievements, Max Kralstein."

Do you have any other affidavits?

Mr. DUFFY. I have a number of them, Mr. Kennedy.

Mr. KENNEDY. Mr. Chairman, with your permission, could we read just the pertinent part and leave out the introductory part, which follows the regular form, and have the whole thing printed in the record?

Senator GOLDWATER. You can leave the parts out as indicated by counsel.

The entire affidavit will be placed in the record.

Mr. DUFFY. The next is from Louis Sapirstein, owner and operator of the Sapirstein Bakery, located at 676 Allerton Avenue, New York City.

It reads as follows:

AFFIDAVIT

I, Louis Sapirstein, owner and operator of the Sapirstein Bakery located at 676 Allerton Avenue, New York City, freely and voluntarily make the following

statement to Laverne J. Duffy who has identified himself to me as a member of the staff of the United States Senate Select Committee on Improper Activities in the Labor or Management Field. No threats, force, or duress has been used to induce me to make this statement, nor have I received any promise of immunity from any consequences which may result from submission of this statement to the aforementioned Senate select committee.

On March 30, 1956, a number of delegates from the Bakery and Confectionery Workers Union in New York visited my bakery. They asked me if I would purchase a \$200 ad in the souvenir journal for the Max Kralstein testimonial dinner which was to be held in June 1956. The union delegates stated that other bakers of comparable size were giving \$200. I then made out a check to the Max Kralstein Committee for \$200 and handed it to one of the delegates. I gave the \$200 because I wanted to maintain a friendly relationship with the union. I did not ask, nor was I told what the money was going to be used for. I have never met, nor do I know, Mr. Max Kralstein personally.

I have read the foregoing statement and to the best of my knowledge it is true and correct.

(Signed) LOUIS SAPIRSTEIN.

Witness:

LAVERNE J. DUFFY.

Witness:

FRANCIS C. LLOYD.

Sworn to before me this 5th day of May 1957 [sic].

(Signed) Samuel Streisfeld,
SAMUEL STREISFELD,
Notary Public.

State of New York, qualified in Bronx County, No. 03-9220400, commission expires March 30, 1958.

Mr. KENNEDY. He states in there that he did not know Max Kralstein.

Mr. DUFFY. That is correct.

Mr. KENNEDY. Again, in the Max Kralstein booklet, there is a whole page taken by Mr. Sapirstein, and it says "In recognition of the esteem in which he is held by all who know him, we welcome this opportunity to convey to Max Kralstein our sincere expression of admiration for his many great contributions to the baking industry."

Senator GOLDWATER. Does the counsel know the ghostwriter's name?

Mr. KENNEDY. No, he does not.

(At this point, Senator McClellan entered the hearing room.)

Mr. DUFFY. I have another affidavit here from Isidore Gelber. He is the owner and operator of the Excellent Bakery at 762 Allerton Avenue, New York City.

It reads as follows:

AFFIDAVIT

I, Isidore Gelber, owner and operator of the Excellent Bakery at 762 Allerton Avenue, New York City, freely and voluntarily make the following statement to Laverne J. Duffy who has identified himself to me as a member of the staff of the United States Senate Select Committee on Improper Activities in the Labor or Management Field. No threats, force, or duress has been used to induce me to make this statement, nor have I received any promise of immunity from any consequences which may result from submission of this statement to the aforementioned Senate Select Committee.

On April 4, 1956, 2 or 3 delegates from the Bakery and Confectionery Workers here in New York visited my bakery and advised that the union was planning a testimonial dinner for Max Kralstein, international vice president of the Bakery and Confectionery Workers Union. The union delegates, their names I do not know, asked me if I would purchase space in the souvenir journal that was being made up for the Kralstein dinner. Following their suggestion I purchased a \$200 ad in the journal and the union delegates told me that this money was to be used for the testimonial dinner. The reason that I gave the union delegates

\$200 was to maintain a friendly relationship with the union. I do not know, nor have I ever met Max Kralstein.

I have read the foregoing statement and to the best of my knowledge, it is true and correct.

ISIDORE GELBER.

Witnesses :

LAVERN J. DUFFY,
FRANCIS C. FLOYD.

STATE OF NEW YORK, *County of Bronx, ss:*

Sworn to before me this 4th day of June 1957.

BENJAMIN J. PERLMAN,
Notary Public, State of New York.

Certificate filed in New York County. Commission expires March 30, 1958.

Mr. KENNEDY. What is your next one?

Mr. DUFFY. I have another affidavit from Jacob Schwartz. He is owner and operator of the Slama's Bakery, located at 1161 Madison Avenue, New York City.

It reads as follows :

AFFIDAVIT

I, Jacob Schwartz, owner and operator of the Slama's Bakery, located at 1161 Madison Avenue, New York City, freely and voluntarily make the following statement to LaVerne J. Duffy who has identified himself to me as a member of the staff of the United States Senate Select Committee on Improper Activities in the Labor or Management Field.

No threats, force or duress has been used to induce me to make this statement, nor have I received any promise of immunity from any consequences which may result from submission of this statement to the aforementioned Senate Select Committee.

On May 25, 1956, Mr. Ben Tiedeman, a delegate from the Bakery and Confectionery Workers of America, Local No. 3, here in New York, visited my bakery. He asked me to purchase space in the souvenir journal for the Max Kralstein testimonial dinner.

I did not want to purchase an ad. Finally, I agreed to buy a \$50 ad. I did not inquire as to what the money was going to be used for. I have never met, nor do I personally know Mr. Max Kralstein. I gave the \$50 to the union delegate because I wanted to maintain labor peace and to avoid any threats and intimidations from the union.

I have read the foregoing statement and to the best of my knowledge it is true and correct.

Witnesses :

JACOB SCHWARTZ.
LAVERN J. DUFFY.
FRANCIS C. LLOYD.

STATE OF NEW YORK, *County of New York:*

Sworn to and subscribed before me this 6th day of June 1957.

SAM NEUSTADT.

Mr. KENNEDY. Have you another one?

Mr. DUFFY. I might say parenthetically, Mr. Chairman, that Mr. Schwartz has had lengthy trouble with the union over the past 2 years. I think that is why he made this statement in his affidavit, that he didn't want any threats or intimidation from the union in the future.

The last affidavit I have is from Albert Zitzmann. He is the manager of the Munzenmaier Bakery, located at 3145 Downing, Flushing, Long Island, N. Y.

It reads as follows :

AFFIDAVIT

I, Albert Zitzmann, manager of the Munzenmaier Bakery located at 31-45 Downing, Flushing, Long Island, N. Y., freely and voluntarily make the following statement to LaVerne J. Duffy who has identified himself to me as a member

of the staff of the United States Senate Select Committee on Improper Activities in the Labor or Management Field.

No threats, force or duress has been used to induce me to make this statement, nor have I received any promise of immunity from any consequences which may result from submission of this statement to the aforementioned Senate Select Committee.

On March 21, 1956, A union delegate from the Bakery and Confectionery Workers Union visited my bakery and requested that I purchase space in the souvenir journal that was being made up for the Max Kralstein testimonial dinner which was to be held sometime in June of 1956.

The union delegate, whose name I cannot recall, stated that he was being pressed by his superiors to sell a certain quota of space in the souvenir journal. In order to help him out I gave him a check for a \$200 ad in the journal.

I did not know the money was going to be used to purchase a home for Mr. Kralstein. In fact, the union delegate stated to me that the money was going to be used for the payment of the testimonial dinner. If I had known the money was going to be used to purchase a home I would not have given the union a cent. I have never met, nor do I know Mr. Max Kralstein.

I have read the foregoing statement and to the best of my knowledge it is true and correct.

ALBERT ZITZMANN.

Witnesses: LAVERN J. DUFFY
FRANCIS C. LLOYD.

Sworn and subscribed before me this 4th day of June 1957.

ANTHONY J. VIRBY.

The CHAIRMAN. You have read the pertinent parts of those affidavits.

How many affidavits are there?

Mr. DUFFY. Five, Senator.

The CHAIRMAN. The five affidavits will be made exhibit No. 30, for reference only. The pertinent parts of them have been read into the record. It will not be necessary for them to be printed again in the record, but they can be filed with the committee.

(The documents referred to were marked "Exhibit No. 30" for reference and may be found in the files of the select committee.)

Mr. DUFFY. I have interviewed a number of other bakery owners in New York City, and they were reluctant to submit affidavits or appear before this committee and tell their story. Off the record they did state to me and the individual who accompanied me on the interviews, Mr. Lloyd, of the General Accounting Office, that they were in fear and gave this money reluctantly.

The CHAIRMAN. Do you recognize this booklet that I hold in my hand entitled "Testimonial Dinner in Honor of Max Kralstein"?

Mr. DUFFY. Yes, sir.

The CHAIRMAN. Where did you secure it?

Mr. DUFFY. I secured it from the secretary-treasurer of the committee, Senator, from the Max Kralstein committee, New York City.

The CHAIRMAN. This is from their file?

Mr. DUFFY. Yes, sir.

The CHAIRMAN. This may be made exhibit No. 31, for reference.

(The document referred to was marked "Exhibit No. 31" for reference and may be found in the files of the select committee.)

Senator CURTIS. These men that did give you affidavits, and those that you interviewed who preferred not to, were they small operators?

Mr. DUFFY. Relatively small operators, Senator.

Senator CURTIS. About how many employees?

Mr. DUFFY. They varied from 25 to 50 employees, and sometimes as low as 10 or 12.

Senator CURTIS. They were in no sense big business?

Mr. DUFFY. No, Senator.

Senator CURTIS. Some of them that you did not get affidavits from, did you gather information orally that they had been treated in the manner that these men who were willing to give affidavits have stated?

Mr. DUFFY. Yes, Senator.

Senator CURTIS. In other words, these five affidavits and the men who testified here are but a part of the whole picture of the way they operated for that dinner?

Mr. DUFFY. I think they show a pattern, Senator.

Senator CURTIS. Thank you.

The CHAIRMAN. Senator McNamara.

Senator McNAMARA. Even these five, apparently, were somewhat reluctant. You wrote the affidavit up and they signed it, or you had it written and they signed it?

Mr. DUFFY. We worked over the language quite extensively, Senator.

Senator McNAMARA. You talked to them, got their feeling about it, and you put it in words, and went back to them and they signed it?

Mr. DUFFY. That is correct, Senator.

Senator McNAMARA. Apparently even those that signed it were reluctant, too, because they did not voluntarily come up with an affidavit, but signed the one you prepared.

Mr. DUFFY. Yes, sir.

Mr. KENNEDY. How many bakery owners do you think you visited, Mr. Duffy?

Mr. DUFFY. I didn't visit very many, Mr. Kennedy. I visited approximately 12 to 15. Time did not permit me to visit more.

Mr. KENNEDY. And you say that you found that these affidavits established the general pattern that you found?

Mr. DUFFY. Definitely. I feel that way.

Mr. KENNEDY. Of the some \$85,470 that was collected, did you find that a majority or most of this money came from employers?

Mr. DUFFY. A great amount of the money came from the employers.

I might add that the employees also gave, but I don't have any affidavits from them.

Mr. KENNEDY. Did you interview, also, some employees?

Mr. DUFFY. I did interview some employees.

Mr. KENNEDY. Did you find that the employees also gave because they felt they were being pressured into giving it?

Mr. DUFFY. They were pressured and pressured and as a result they did give.

Mr. KENNEDY. And were they also in fear of giving affidavits?

Mr. DUFFY. That is correct.

Senator CURTIS. Did you find anyone who knew this man that was supposed to be honored and who willingly gave their money?

Mr. DUFFY. In fairness to Mr. Kralstein, I did find one who knew of him.

Senator CURTIS. Was he an employer?

Mr. DUFFY. He was an employer of a very large bakery in New York City. I think he had personal dealings with Mr. Kralstein and that is why we knew him.

Senator CURTIS. Did you get the impression that he voluntarily gave?

Mr. DUFFY. This is one individual that voluntarily gave because he knew Mr. Kralstein.

Mr. KENNEDY. We have the Bakery and Confectionery Workers financial statement on this celebration, August 29, 1956, which shows the figures on the money that was raised for Max Kralstein.

Mr. Duffy secured it and can identify it.

The CHAIRMAN. Mr. Duffy, the Chair presents to you a document purporting to be a tabulation or record of the moneys collected for this dinner, and also showing the expenditure or disbursements of the funds collected.

Will you examine this document and state whether you identify it and what it is?

(Document handed to witness.)

Mr. DUFFY. This document is a financial statement of the receipts and disbursements of the testimonial dinner for Max Kralstein. It was submitted by Sidney Gersey Co., of New York City. It is an audit of the accounts and secured from the files of the local in New York City.

The CHAIRMAN. You secured that from the files of the local as prepared by their audit?

Mr. DUFFY. Yes, sir.

The CHAIRMAN. That may be made exhibit No. 32, and the pertinent parts of it may be printed in the record.

I think the figures have already gone into the record.

It may be kept as an exhibit for the record, and the Chair will state that he believes the figures have already been put into the record.

In accordance with the Chair's calculation, Mr. Max Kralstein and his wife received \$57,818.94 in cash, and also a portrait that cost \$1,447.21, and a gift to Mrs. Kralstein which cost \$1,650, making a total that Mr. Kralstein and his wife received out of this affair of \$61,016.15.

(The document referred to was marked "Exhibit No. 32" for reference and will be found in the appendix on pp. 3177, 3178.)

Mr. DUFFY. Senator, if you will look at the bottom, the statement in longhand, I think you will find additional funds were given to Mr. Kralstein.

The CHAIRMAN. I included those.

Mr. KENNEDY. Mr. Duffy, what was the money used for, the money that went to Mr. Kralstein?

Mr. DUFFY. This money was used to secure a home for Mr. Kralstein. I understand he purchased it in the last 3 months. It is a \$40,000 home.

The CHAIRMAN. How much?

Mr. DUFFY. \$40,000.

The CHAIRMAN. So he has some \$21,000 after purchasing the home?

Mr. DUFFY. I understand he was going to use that for furnishings.

Mr. KENNEDY. Where is the home?

Mr. DUFFY. In New York City. I think Mr. Kralstein will be able to me more explicit on that point.

Mr. KENNEDY. Was it understood prior to this dinner being given, that the money that was being raised was being raised so that Mr. Max Kralstein could buy a home?

Mr. DUFFY. That is correct.

Mr. KENNEDY. I have one other question.

Who was chiefly responsible, the person who sort of organized the dinner?

Mr. DUFFY. Mr. Dutto was the chairman of the committee that raised the money.

Mr. KENNEDY. What is his position; do you know?

Mr. DUFFY. Offhand, I can't tell you.

The CHAIRMAN. Is he here as a witness?

Mr. DUFFY. I think he is, Mr. Chairman.

Mr. KENNEDY. He is director of organization, I believe, in New York City.

Mr. DUFFY. Yes.

The CHAIRMAN. Are there any further questions?

If not, step aside, Mr. Duffy.

Call the next witness.

Mr. KENNEDY. Mr. Dutto.

The CHAIRMAN. Mr. Dutto, will you be sworn, please?

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. DUTTO. I do.

TESTIMONY OF FRANK DUTTO, ACCOMPANIED BY COUNSEL, ARTHUR KAMELL

The CHAIRMAN. State your name, your place of residence, your business, or occupation.

Mr. DUTTO. My name is Frank Dutto. I live at 3290 Tierney Place, the Bronx, N. Y. I am the director of organization for bakers union local No. 3, at 2928 41st Avenue, Long Island City.

The CHAIRMAN. How long have you held that position, Mr. Dutto?

Mr. DUTTO. Since June 25, 1955.

The CHAIRMAN. June 25, 1955?

Mr. DUTTO. Yes.

The CHAIRMAN. Do you have counsel present with you?

Mr. DUTTO. I have.

The CHAIRMAN. Mr. Counsel, identify yourself for the record, please.

Mr. KAMELL. My name is Arthur Kamell, 655 Madison Avenue, New York.

The CHAIRMAN. You are familiar with the rules of the committee; are you?

Mr. KAMELL. Yes, I am, Mr. Chairman.

The CHAIRMAN. What position did you have previously with the union, if any, before June 25, 1955?

Mr. DUTTO. Well, that is when this union was merged. That was the beginning of this new local No. 3.

The CHAIRMAN. Did you have any position with any union prior to that?

Mr. DUTTO. I did. I was the president of local No. 1 prior to the merger.

The CHAIRMAN. That is one of those that merged?

Mr. DUTTO. Yes.

The CHAIRMAN. How long had you been president of that local before the merger?

Mr. DUTTO. Since about 1942.

The CHAIRMAN. Since about 1942?

Mr. DUTTO. And then I was in the service for almost 2 years—19 months.

The CHAIRMAN. Almost 2 years?

Mr. DUTTO. Two. 19 months.

The CHAIRMAN. Then you were president of local No. 1—was it local 1?

Mr. DUTTO. That is correct.

The CHAIRMAN. From 1942 until 1955, except for the time you were in the service?

Mr. DUTTO. Yes.

The CHAIRMAN. And that was approximately 19 months?

Mr. DUTTO. Yes.

The CHAIRMAN. And since 1955 you have occupied your present position, since June 1955, as organizational director; is that correct?

Mr. DUTTO. That is right.

The CHAIRMAN. Proceed Mr. Kennedy.

Mr. KENNEDY. In that capacity, did you work on this dinner for Mr. Kralstein?

Mr. DUTTO. Yes; I did.

Mr. KENNEDY. Did the idea of giving the dinner originate with you? Would you tell us a little bit about that?

Mr. DUTTO. Well, myself and a number of other fellow officers, we had been talking about honoring our vice president.

Mr. KENNEDY. Mr. Dutto, how was it arranged that the money was to be collected for the dinner?

Mr. DUTTO. Well, that we would solicit greetings from the industry, everyone that we knew in the local union or even outside, other local unions.

Mr. KENNEDY. As I understand it, you had some teams set up? How many people did you have soliciting money for you?

Mr. DUTTO. Well, I would say approximately 20.

Mr. KENNEDY. Twenty?

Mr. DUTTO. Yes.

Mr. KENNEDY. Do you mean 20 that were full time?

Mr. DUTTO. That were actually going around soliciting. We had a committee of about 60 people.

Mr. KENNEDY. How many people?

Mr. DUTTO. Sixty.

Mr. KENNEDY. Sixteen?

Mr. DUTTO. Sixty.

Mr. KENNEDY. Sixty. And this committee of 20 would actually go around and solicit money, is that right, this group of 20?

Mr. DUTTO. It happened that this committee of 20, by and large they are the officers of the union who service the shops or meet people in the industry, and in the main were the ones that solicited for this thing.

Mr. KENNEDY. When they were around servicing the shop did they also ask the employer to contribute to this dinner?

Mr. DUTTO. Yes.

Mr. KENNEDY. Did it occur to anyone that an employer might feel when the representative of the union came around who was servicing the contract, and then requested a contribution, that this amounted to perhaps a threat to him that he should contribute or otherwise there might be some difficulty for him?

Mr. DUTTO. I don't believe so.

Mr. KENNEDY. You didn't think to feel that you set up that kind of a situation by having people who were servicing the contract also raising money?

Mr. DUTTO. No; because we, ourselves, as a local union, have many times been solicited to participate in the employers association dinners, which they run at least once a year. There are quite a number of these associations. We do purchase a table or two tables, and we attend these affairs of the employers as well. It is not something new.

Mr. KENNEDY. I understand that, but does it occur at all to you that perhaps a business agent that goes around, who has the power to make it difficult or easy for an employer who at the same time is asking for a contribution, might put the employer in fear of not contributing?

Mr. DUTTO. Well, we have a union agreement with our employers, and I would say by average standards a very good agreement, providing for good conditions. I don't see why an employer should be afraid. I, myself, personally, or any of the officers that I know of, have enough members in the union that will service and work for any employers that they want.

Mr. KENNEDY. Why should the employers that do not even know Max Kralstein be requested to contribute to the Max Kralstein dinner?

Mr. DUTTO. There may be—to me it seems almost impossible for anyone not to know Max Kralstein in the baking industry in the city of New York.

Mr. KENNEDY. Evidently some bakers did not know him.

Mr. DUTTO. Yes.

Mr. KENNEDY. Why should they be requested to contribute to the Max Kralstein dinner?

Mr. DUTTO. I don't know. We are running an affair honoring one of our representatives, and we asked everyone to participate. If he didn't know him, we would try to explain who the man was.

Mr. KENNEDY. You say that other dinners similar to this have taken place. Has there ever been a dinner that you know of that raised the amount of money for the individual, approximately \$60,000, or more than \$60,000 for the individual?

Mr. DUTTO. No; I don't know. I know there have been dinners, big dinners, which I, myself, have attended, at the Waldorf Astoria, or the Commodore Hotel, the New Yorker. But I don't know what the proceeds were there.

Mr. KENNEDY. Mr. Dutto, I was looking over the New York State Federation of Labor June 25 meeting—

The CHAIRMAN. Before you get into that, let me ask a question.

Mr. DUTTO, this was a program for a dinner honoring the vice president of your union; is that correct?

Mr. DUTTO. Of our international union; yes.

The CHAIRMAN. Of the international union; yes.

When you first originated this idea, or discussed it and agreed to it, to carry out the program, did you have in mind then to raise enough money to buy Mr. Kralstein a home? Is that what you started out to do?

Mr. DUTTO. I will say this: I know that I, myself, had the opportunity to be at a homecoming party for a son of Mr. Kralstein from Korea. I, myself, who had known Mr. Kralstein for many years, was surprised that he should be living in such a modest home. There is nothing wrong with it.

The CHAIRMAN. What was his salary at that time?

Mr. DUTTO. His salary?

The CHAIRMAN. Yes.

Mr. DUTTO. I don't know.

The CHAIRMAN. You would have some idea about his salary, would you not, the international vice president?

Mr. DUTTO. I honestly don't know. Probably in the neighborhood of \$130 or \$140 a week.

The CHAIRMAN. Don't you know it is more than that?

Mr. DUTTO. I know they received a raise as a result of the last convention we had.

The CHAIRMAN. All right. Go ahead. He is living in a humble home. So what did you do?

Mr. DUTTO. So when we were talking of honoring Max, we didn't want to give him any money, and we figured if we can get enough money together, that we would purchase a home for him.

The CHAIRMAN. Purchase a home for him?

Mr. DUTTO. Yes.

The CHAIRMAN. Was that a part of the original scheme and original plan when you started this drive to raise the money?

Mr. DUTTO. Well, that was the idea.

The CHAIRMAN. That was part of the original idea?

Mr. DUTTO. Yes.

The CHAIRMAN. Not only to give him a dinner but to raise money to buy him or build him a home?

Mr. DUTTO. Yes.

The CHAIRMAN. So that was known before you started the campaign to raise the money.

Mr. DUTTO. That is correct.

The CHAIRMAN. That is, among the group, at least, that originated the plan.

Mr. DUTTO. Yes.

The CHAIRMAN. Was that information given to those from whom the money was solicited or were they just told it was a dinner to honor him?

Mr. DUTTO. To the best of my knowledge, that was done.

The CHAIRMAN. Were they instructed to tell them that they were raising money to buy him a home?

Mr. DUTTO. That is what the entire committee was talking about, what was being aimed for.

The CHAIRMAN. No; I am talking about the people that you solicited. I am not talking about what you agreed on among yourselves. As you presented the requests to those from whom you solicited advertisements or the purchase of tickets, were they informed and were they advised that this was to raise money not only for a dinner to honor him, but also to buy him a home?

Mr. DUTTO. I believe so.

The CHAIRMAN. You believe so?

Mr. DUTTO. Yes.

The CHAIRMAN. Do you know?

Mr. DUTTO. As far as I am concerned, I am sure.

The CHAIRMAN. As far as you are concerned, you are sure. So no one then, you think, made any contribution or made any donation except with the knowledge that they were donating to buy this man a home?

(The witness conferred with his counsel.)

Mr. DUTTO. That is what I——

The CHAIRMAN. That is what you knew.

Mr. DUTTO. Yes.

The CHAIRMAN. But I am talking about the people who gave the money.

Mr. DUTTO. Well, I couldn't speak for them.

The CHAIRMAN. You couldn't speak for them. You don't know whether they were apprised of that fact or not, at the time they were soliciting?

Mr. DUTTO. No.

The CHAIRMAN. Proceed, Mr. Counsel.

Mr. KENNEDY. Mr. Duffy might be able to throw some light on that, Mr. Chairman.

The CHAIRMAN. This witness here is one of those who originated the idea and the plan for it, and I wanted to find out if, in fairness to those whom they solicited, they instructed and saw that that instruction was carried out; in other words, so that those who gave the money knew for what purpose it was going.

You do not know whether your business agents who went out and raised the money apprised the donors of the fact that the money was to be used not only for a dinner but also to purchase a home for him?

Mr. DUTTO. Well, that is what I explained to all the members of the committee. As to whether they explained it to each person that was solicited, I don't know.

The CHAIRMAN. So you say they all knew in advance; those who did the soliciting, at least, knew in advance?

Mr. DUTTO. Yes.

The CHAIRMAN. You do not know, because you are not present, at least in every instance, whether they also apprised the person they solicited the funds from that it was to be used for that purpose? You don't know that personally?

Mr. DUTTO. No.

The CHAIRMAN. But you do know that those who were, I guess, the business agents—is that right, the ones who were servicing the places?

Mr. DUTTO. Yes.

The CHAIRMAN. That they were apprised of it before they went out to solicit the funds?

Mr. DUTTO. Yes, sir.

The CHAIRMAN. That is correct, is it?

Mr. DUTTO. Yes.

The CHAIRMAN. All right.

Senator McNAMARA. In that connection, did you sell any tickets?

Mr. DUTTO. I think—Yes, I do.

Senator McNAMARA. Did you tell the people that you sold the tickets to that the money was to be used in the manner you knew it was to be used, for the dinner and the purchase of the home?

Mr. DUTTO. Yes.

Mr. KENNEDY. On this question, I would like to ask Mr. Duffy of the people he interviewed, how many of them were aware of the fact that the money was going to be used to buy Max Kralstein a home.

Mr. DUFFY. I didn't interview one employer in New York City who knew where this money was going. I might add that the president of the Nome Bakery in New York City—whom I understand you know, Mr. Dutto, you, yourself solicited funds from this bakery—I interviewed the president of the bakery and the president told me that you did not tell him what this money was going to be used for.

The CHAIRMAN. He can be made available as a witness very easily. What is his name?

Mr. DUFFY. Do you know the name of the president of the Nome Bakery?

Mr. DUTTO. Mr. Frank Fernitis.

The CHAIRMAN. Who?

Mr. KENNEDY. Frank Fernitis.

The CHAIRMAN. I do not know whether we want to pursue it or not, but there is a way to make the record and set the premise for it, at least.

When you solicited him, did you inform him that the money was to be used to purchase a home for Mr. Kralstein?

Mr. DUTTO. Yes, sir.

The CHAIRMAN. You did?

Mr. DUTTO. Yes, sir.

The CHAIRMAN. You state that under oath?

Mr. DUTTO. Yes.

The CHAIRMAN. All right. That makes the record complete.

Mr. KENNEDY. Going back, Mr. Dutto, in the New York State Federation of Labor Convention in June 1956, in their final report of the committee on credentials it states:

This will complete our report, Mr. Chairman. The credential of Frank Dutto, representing the Bakery and Confectionery Workers Union, Local 3, was submitted to your committee for approval. We desire to state that several years ago the credentials committee received a credential for this delegate to represent local 1 of the same international union.

At that time the credentials committee refused to recommend the seating of this individual because of his activities within Communist-front organizations. Subsequent conventions failed to reveal any further credentials that were submitted for him.

A credential for Dutto was submitted at this convention. Your committee met on Tuesday, June 26, 1956, at which time we interviewed him. After a thorough discussion with the individual, the final statement made by him to your committee was that he had severed his connections with Communist fellow-traveling organizations during the year 1947 and has not cooperated with the Communist-front organizations since that year.

Your committee indicated to him that there may be a question of the time element. However, he assured the committee that the year 1947 was correct. Your committee proposed that he sign a statement condemning communism as a theory and practice, condemning the activities of the Communists and Communist-front organizations, as detrimental to freedom-loving people everywhere, and condemning the Communist Party, United States of America, and its kindred organizations. He said that he would be willing to sign such a statement.

Upon further investigation and a checkup of news articles appearing in the Daily Worker, your committee has found that Dutto—in the committee's estimation—did not sever his connections with the fellow-traveling organizations.

Then it gives the various organizations that they allege you were a member of from 1949 to 1953.

Because of the above information, your committee has withdrawn the opportunities of having Dutto sign such statement, especially in view of the fact that he attempted to impress your committee that he had severed his connections with the aforementioned group since 1947 and, therefore, recommends that the credential submitted for Frank Dutto be not accepted by this convention and the local union be so notified.

I moved the adoption of this part of the report, Mr. Chairman. The motion was seconded by several delegates, was put to a vote and carried.

I would like to ask you, Mr. Dutto, have you been a member of the Communist Party?

(The witness conferred with his counsel.)

Mr. DUTTO. I am not now a member of the Communist Party.

Mr. KENNEDY. Have you been a member of the Communist Party?

(The witness conferred with his counsel.)

Mr. DUTTO. In May 1950, I signed a non-Communist affidavit. I have signed one ever since then. It was true then and it is true now.

Mr. KENNEDY. Could you answer my question? Have you been a member of the Communist Party?

Mr. KAMELL. Mr. Chairman?

The CHAIRMAN. Let me ask the question this way: You say since 1950 you have not been? You are willing to testify to that?

Mr. DUTTO. Yes.

The CHAIRMAN. That since that time you have not been. The question is, had you been prior to that time?

(The witness conferred with his counsel.)

Mr. KAMELL. If you will pardon me, Mr. Chairman, and members of the committee, I would like to suggest to you at this time that the scope of this inquiry is directed to corrupt practices in the labor or management field, and I don't think this committee is interested in any past participation of any citizen called before this committee in regard to his political activities.

The CHAIRMAN. I do not know whether you consider it political activity or not. It might be political and it might go beyond political activity. The witness can answer the question. If he does not want to answer it, he can take the privilege.

Mr. KAMELL. Would you repeat the question, please?

The CHAIRMAN. Prior to 1950, were you a member of the Communist Party?

(The witness conferred with his counsel.)

Mr. DUTTO. I decline to answer and invoke my privilege under the Constitution.

The CHAIRMAN. You wish to invoke your privilege on that? Do you mean the fifth amendment? Is that correct?

Mr. DUTTO. Yes, that is right.

The CHAIRMAN. And you also mean that if you gave a truthful answer, a truthful answer might tend to incriminate you?

Mr. DUTTO. Yes.

The CHAIRMAN. I am trying to be helpful to you. Let your lawyer tell you what to say.

(The witness conferred with his counsel.)

Mr. DUTTO. Yes, sir.

The CHAIRMAN. Your answer is yes?

Mr. DUTTO. Yes.

The CHAIRMAN. You honestly think that a truthful answer might tend to incriminate you?

Mr. DUTTO. Yes, sir.

The CHAIRMAN. Thank you.

Senator Goldwater?

Senator GOLDWATER. Mr. Dutto, were you a member of the United May Day Committee in 1937?

(The witness conferred with his counsel.)

Mr. DUTTO. I decline to answer.

Senator GOLDWATER. Were you a sponsor in 1951 in connection with the American Peace Mobilization held on April 4 and 6 of that year in New York City?

(The witness conferred with his counsel.)

Mr. DUTTO. I decline to answer on my constitutional ground.

Senator GOLDWATER. Mr. Chairman, the reason I ask is that both of these organization have been designated by the Attorney General to be Communist-front organizations.

I would like to ask Mr. Dutto a further question. Did you, in 1942, sign the election petition for the Communist Party in New York State, in 1942 for the candidate named Israel Amter?

(The witness conferred with his counsel.)

Mr. DUTTO. I decline to answer, and invoke my constitutional privilege, the fifth amendment.

Senator GOLDWATER. Mr. Dutto, is it true that the report—let me put it this way: Was your wife once known as Lena Dutte?

(The witness conferred with his counsel.)

Mr. DUTTO. My wife is known as Lena Dutto; she is my wife.

Senator GOLDWATER. Was she ever known as Lena Dutte?

Mr. DUTTO. Not that I know of.

Senator GOLDWATER. Was your wife chairman of the Williams Bridge Club, the sixth assembly district, Bronx branch of the Communist Party in 1944?

Mr. DUTTO. I don't think that I have to answer on the relationship between myself and my wife.

Senator GOLDWATER. Do you know if she was? You can say yes or no.

(The witness conferred with his counsel.)

Mr. DUTTO. I decline to answer and invoke the fifth amendment.

The CHAIRMAN. I do not want to belabor this, but I assume, Mr. Dutto, that any questions asked you about those past associations prior to 1950 would be answered the same way, that you would invoke the fifth amendment?

Mr. DUTTO. Yes, sir.

The CHAIRMAN. I believe Senator Goldwater has one question to ask subsequent to 1950.

Senator GOLDWATER. Mr. Dutto, the Daily Worker, issued January 15, 1953, contained an article reflecting the name of Frank Dutto, president of Local 1, Bakers Union, New York, among the names of labor leaders or unions that have directed an appeal to save the lives of Julius and Ethel Rosenberg.

You will remember that these two were convicted of conspiring to commit espionage on behalf of the Soviet Union, and they were sentenced to death and executed on June 19, 1953. Is that report of the Daily Worker correct?

(The witness conferred with his counsel.)

Mr. DUTTO. Well, I don't know if the report is correct, but I will say this: I wouldn't deny that I made a statement in making an appeal for clemency for the Rosenbergs.

I, myself, have grown up an orphan, and I am strictly against capital punishment, whoever it may be. I do not believe that.

The CHAIRMAN. Senator Curtis?

Senator CURTIS. When did you cease to be a member in the Communist Party?

(The witness conferred with his counsel.)

Mr. DUTTO. Would you repeat the question?

Mr. KAMELL. Would you repeat the question, please, sir?

Senator CURTIS. When did you end your membership in the Communist Party?

Mr. DUTTO. Well, as I have stated, in the spring of 1950, I did sign a non-Communist oath. I have signed it every year since.

Senator CURTIS. I understand that, but when did you end your membership in the Communist Party?

Mr. DUTTO. I decline to answer that question and invoke my privileges under the fifth amendment.

Senator CURTIS. Were every one of those non-Communist affidavits true and correct?

(The witness conferred with his counsel.)

Mr. DUTTO. Yes.

Senator CURTIS. Then when you signed it in 1950, you were not a member of the Communist Party?

Mr. DUTTO. Yes.

Senator CURTIS. Did you sign one in 1949?

Mr. DUTTO. I don't think so.

Senator CURTIS. Could you have truthfully and accurately signed one stating you were not a Communist in 1949?

(The witness conferred with his counsel.)

Mr. KAMELL. Would you repeat the question, please, Senator?

Senator CURTIS. Could you have truthfully and accurately signed an affidavit in the year 1949 stating that you were not a member of the Communist Party?

(The witness conferred with his counsel.)

Mr. DUTTO. I decline to answer that question and invoke my privilege under the Constitution, the fifth amendment.

Senator CURTIS. Then somewhere in 1949 to 1950 is when you say that you ceased to be a Communist?

(The witness conferred with his counsel.)

Mr. DUTTO. I decline to answer that question.

Senator CURTIS. That is all, Mr. Chairman.

The CHAIRMAN. All right.

Mr. Counsel?

Mr. KENNEDY. Mr. Dutto, on this New York State Federation of Labor, it states that you were prepared to sign a statement that you had severed your connection with all Communist fellow-traveler organizations since the year 1947 and had not cooperated with Communist-front organizations since that year.

Would that statement that you were prepared to give to the AFL-CIO have been accurate?

(The witness conferred with his counsel.)

Mr. DUTTO. I decline to answer that question and invoke my fifth amendment.

Mr. KENNEDY. So you were prepared to make a statement then? Let me ask you this: Have you been a member of any Communist-front organizations since 1947?

(The witness conferred with his counsel.)

Mr. DUTTO. Would you repeat the question?

Mr. KENNEDY. Have you been a member of any Communist-front organizations since 1947?

Mr. DUTTO. I decline to answer and invoke my privilege under the Constitution.

Mr. KENNEDY. You refuse to say here under oath what you were prepared to say to the AFL-CIO at that time not under oath?

Mr. DUTTO. I decline to answer.

Mr. KENNEDY. Thank you.

The CHAIRMAN. Is there anything further?

Senator Curtis?

Senator CURTIS. Do you know Mr. Kramer, who testified here?

Mr. DUTTO. I do.

Senator CURTIS. Do you know where his bakery is located?

Mr. DUTTO. I do.

Senator CURTIS. What position did you hold at the time he was having that strike?

Mr. DUTTO. I was president of local No. 1.

Senator CURTIS. And was that the striking organization?

Mr. DUTTO. What is it?

Senator CURTIS. Was that the union that was conducting the strike?

Mr. DUTTO. Yes; that is correct.

Senator CURTIS. What do you know about the molesting of the customers and knocking packages of cookies and cakes out of their hands if they went into the store?

Mr. DUTTO. Well, if I may, we organized the workers of Mr. Kramer, and we asked them to meet and bargain with the union. His answer was that he fired all those who had joined the union and as a result of that, we had a strike.

I heard here that some three people went to a farm in Pennsylvania and tried to burn down the farm if they delivered eggs. To me, it is a very fantastic story, to make such a statement. We conducted a picket line at Kramer's, and we solicited every people that we could talk to not to patronize the shop.

We had the people who had been working for Mr. Kramer on the picket line, and other members of the union. If any incident of that sort happened, it was strictly an accident because our union does not practice those kinds of policies.

Senator CURTIS. Do you deny that it did happen?

Mr. DUTTO. I certainly would.

Senator CURTIS. On what basis do you make your denial of the story that three men appearing at the farm of the egg supplier threatened to burn down the buildings?

Mr. DUTTO. Because I happened to be the president of the union at the time and that is not the practices that our union uses.

Senator CURTIS. Now, how do you know that is not true?

Mr. DUTTO. I don't know that it is not true, but I can say as the president of that organization, I can say to you that no such practices were used by our organization.

Senator CURTIS. But you did contact the suppliers of materials that Mr. Kramer's bakery used; did you not?

Mr. DUTTO. Well, we did, when they came to deliver, of course, and if we found out whatever the address was, we contacted the houses there.

Senator CURTIS. In other words, you contacted them if they came to make a delivery, or if you knew where the business was located that was making the delivery, you saw them there sometimes; is that correct?

Mr. DUTTO. We would tell them that we organized the firm, had a contract with them, and had a strike.

Senator CURTIS. Did your organization contact the supplier of eggs?

Mr. DUTTO. I don't know.

Senator CURTIS. You don't know?

Mr. DUTTO. I don't know.

Senator CURTIS. So you do not know whether or not they made the threat to burn the buildings down?

Mr. DUTTO. No; but I would say it is certainly in complete contradiction to the practices of our organization.

Senator CURTIS. But you do not know whether it happened?

Mr. DUTTO. No.

Senator CURTIS. Do you know whether any of the customers of the bakery were molested?

Mr. DUTTO. No, I don't. We did talk to the customers as they went in to buy. Many of the customers we knew because our office—we owned a home a block away from the business, and we were part of the community.

Senator CURTIS. Were any of them touched in any way?

Mr. DUTTO. Not that I know of—not that was made known to our union.

Senator CURTIS. Were any packages or parcels in their hands touched?

Mr. DUTTO. I would not know, Senator. I happened to be on that picket line myself.

Senator CURTIS. Did it ever happen while you were there?

Mr. DUTTO. Never.

Senator CURTIS. That is all, Mr. Chairman.

Senator McNAMARA. When you were president of local 3 in New York City, was that a paid job?

Mr. DUTTO. I am not president of local No. 3.

Senator McNAMARA. When you were. Were you not president?

Mr. DUTTO. Not local 3; local No. 1.

Senator McNAMARA. In local No. 1, was that a paid job?

Mr. DUTTO. Yes.

Senator McNAMARA. You now are director of organization—is that the title?

Mr. DUTTO. Yes, that is correct.

Senator McNAMARA. How are you selected for this job? Are you elected?

Mr. DUTTO. We had an election.

Senator McNAMARA. You had an election in the local union?

Mr. DUTTO. In the local union, local No. 3; yes.

Senator McNAMARA. So you are really a representative of the local by vote of the rank and file?

Mr. DUTTO. Yes. We had 5,000 members, approximately, short 60 votes, voting in Manhattan Center, in an election conducted by the Honest Ballot Association. No member had anything to do with the voting at all.

Senator McNAMARA. Has local 1 ever been in trusteeship?

Mr. DUTTO. No.

Senator McNAMARA. Local 3 is out of trusteeship if it ever was in?

Mr. DUTTO. It never was in.

Senator McNAMARA. It never was?

Mr. DUTTO. No.

Senator McNAMARA. So you hold your job not by any appointment from the international, but by the election of the rank and file members of your organization?

Mr. DUTTO. Yes.

Senator McNAMARA. How long is your term of office?

Mr. DUTTO. For 2 years. It expires next June 15.

Senator McNAMARA. Were you elected the year previous to your present term? This is your first term of 2 years?

Mr. DUTTO. That is correct.

The CHAIRMAN. Are there any other questions?

Mr. KENNEDY. Who determines your salary, Mr. Dutto?

Mr. DUTTO. The executive board of the union.

Mr. KENNEDY. Under the constitution now, isn't it the president or is it still the executive board?

Mr. DUTTO. Well, in our union, the executive board approves that.

The CHAIRMAN. You may stand aside.

Call the next witness.

Mr. KENNEDY. Mr. Kralstein.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. KRALSTEIN. I do.

TESTIMONY OF MAX KRALSTEIN, ACCOMPANIED BY COUNSEL, JACOB P. LEFKOWITZ

The CHAIRMAN. State your name, your residence, and business or occupation.

Mr. KRALSTEIN. Max Kralstein, residing at 1440 41st Street, Brooklyn, N. Y., international vice president.

The CHAIRMAN. Of what union?

Mr. KRALSTEIN. Of the Bakery and Confectionery Workers International Union of America, AFL-CIO.

The CHAIRMAN. Mr. Kralstein, you have counsel with you to advise you while you testify regarding your legal rights?

Mr. KRALSTEIN. Yes, sir.

The CHAIRMAN. Counsel, will you identify yourself for the record?

Mr. LEFKOWITZ. My name is Jacob P. Lefkowitz, from New York City.

If it may please the committee, I respectfully ask to be permitted to make a very brief statement at the request of my client.

May I do so?

The CHAIRMAN. Your statement should be submitted in writing beforehand, but the Chair is going to indulge you briefly, unless there is objection on the part of other members of the committee.

You may make a brief statement.

(At this point, Senator Goldwater withdrew from the hearing room.)

Mr. LEFKOWITZ. Thank you, Mr. Chairman.

Mr. Kralstein is appearing here this morning voluntarily. He has submitted to the members of your staff whatever documentation, evidence, records, including tax returns for the past 7 years, and he also has been ready at all times to submit any other records that this committee might request.

I respectfully submit that he is here this morning to answer any and all questions that this committee, through the chairman or any member thereof, or the counsel thereof, may see or deem fit to put to him.

I urge upon the committee, if I may, that in view of that fact that I, as counsel, though I sit here beside him, cannot, under the rules, interrogate or cross question any of the witnesses that are called, I know that in the interest of justice and fair play to this witness, and in the best traditions of American justice, the committee will put to him any and all questions, which he stands ready to answer, so that any facts or inferences from facts that have been produced here may be clarified and drawn to light by the testimony under oath of Mr. Kralstein.

The CHAIRMAN. Thank you, sir. Any question that you feel the committee overlooks asking your client that should be asked, if you will submit it to the Chair the committee will determine whether the question is proper and whether it should be asked.

I imagine, however, we will substantially cover the area.

All right, Counsel, you may proceed.

Mr. KENNEDY. I might say, Mr. Chairman, that it was in fairness to Mr. Kralstein that he was invited to appear before the committee. The information that we had related to him, but did not directly concern him. He was the recipient but he did not take part, am I to understand it, in raising the money for his dinner.

I thought probably he might have some statement that he wanted to make as his name was going to come out at the hearing this morning.

The CHAIRMAN. In other words, he has been invited to appear here if he desired to do so, and was not subpoenaed?

Mr. KENNEDY. That is correct.

I knew your name would come up and I thought you probably would want to have a chance to testify.

The CHAIRMAN. On that basis, Mr. Kralstein, you are at liberty to make any statement at the moment that you desire to make, so long as it is pertinent to this investigation.

We usually require statements submitted in advance, but since your name was brought into the proceedings, and you have not been subpoenaed but just invited, the Chair now gives you the opportunity—you have heard the testimony here this morning—to make any comment that you desire.

Mr. KRALSTEIN. Mr. Senator, Senators, and Mr. Kennedy. I have listened to some of the testimony of a witness pertaining to a dismissal on his part doing with local 3. The business agent's name is Joseph Tenczar.

I must testify and say that the evidence that he had stated is not accurate, because we were involved—and when I say “we,” I say the international was involved—in the matter of presenting not the evidence but the evidence that was submitted to us.

He quoted a figure of \$125. The evidence, the letter that we got, signed by him, stated of a sum of \$175. The evidence also contained an affidavit of a former employer in that shop, that he was the one that wanted to buy or reopen that bakery, and he was pushed out of it through the actions of the business agent.

We asked Mr. Tenczar to explain it. He was unable to explain it, and we, as international men, submitted it to the local union, for the local union to take any action that they see fit. We do not try them in the international. The local union must act upon it, and the evidence that was submitted. They acted upon it, and I must say now that the appeal is up before the international, and I cannot discuss the case any further.

The CHAIRMAN. He has taken an appeal from the action?

Mr. KRALSTEIN. From the action of the local union to the general executive board. Being a general executive board member, it would be very unfair of me at this time to render my opinion on the individual's case itself.

The CHAIRMAN. The committee will not attempt to require you to do that.

Mr. KRALSTEIN. Thank you, Senator.

The CHAIRMAN. Is there anything further you wish to state?

Mr. KRALSTEIN. No.

(The witness conferred with his counsel.)

The CHAIRMAN. I have said that the Chair would permit you or your counsel to submit questions if we overlook anything. I am trying to get that out of the way right now, if you have anything else you want to say.

Mr. KRALSTEIN. No. I don't know of any of the gentlemen that said they did not know me. By that, I want to explain that at the dinner, almost everyone came over to congratulate me. I am not aware of any.

The CHAIRMAN. Do you know them?

Mr. KRALSTEIN. I believe I do know Mr. Gelber.

The CHAIRMAN. What they were pointing out was that these people that were solicited said they did not know you. There is quite a list in this book that did contribute.

Do you know all that contributed?

Mr. KRALSTEIN. Almost everyone.

The CHAIRMAN. Almost everyone?

Mr. KRALSTEIN. Almost everyone.

The CHAIRMAN. Do you know them personally?

Mr. KRALSTEIN. Yes. I have dealt with them for the last 20 years.

The CHAIRMAN. You have been the one representing the union in its negotiations: have you?

Mr. KRALSTEIN. If you will permit me to explain that——

The CHAIRMAN. Yes.

Mr. KRALSTEIN. We don't go into negotiations until the local union requests from the international, strike permission. Then we are sent in to make every effort that we can in order to reach a settlement which then is submitted to the membership for ratification. We do not accept it or reject it.

The CHAIRMAN. In many instances, contracts are negotiated by the local union where you are not called in to play a part in it?

Mr. KRALSTEIN. In a great many instances, the local unions, and we are grateful to them because of the time element in itself.

The CHAIRMAN. So you are only called in when there is a deadlock in negotiations?

Mr. KRALSTEIN. Yes, sir.

The CHAIRMAN. And when it reaches a point of threatening a strike?

Mr. KRALSTEIN. Yes, sir.

The CHAIRMAN. Very well.

Is there anything else that you think of?

Mr. KRALSTEIN. I don't at the present.

The CHAIRMAN. All right, Counsel, you may proceed.

Mr. KENNEDY. Is it correct that you received the first check for \$56,000? How much money did you receive altogether?

Mr. KRALSTEIN. Whatever you got there, Mr. Counselor, is accurate.

Mr. KENNEDY. You got a portrait; is that right?

Mr. KRALSTEIN. Yes; I haven't hung it yet.

Mr. KENNEDY. It is a portrait of you?

Mr. KRALSTEIN. Right.

Mr. KENNEDY. For \$1,447——

Mr. KRALSTEIN. I don't know the price of it.

Mr. KENNEDY. Did your wife receive a fur coat?

Mr. KRALSTEIN. Yes; she bought a fur piece.

Mr. KENNEDY. Do you know the price of that? That was a gift to your wife, \$1,650?

Mr. KRALSTEIN. Right, sir.

Mr. KENNEDY. Do you think that it is a proper practice and procedure for the business agents of your union to go around to employers who do not know you and ask for contributions to buy you a house?

Mr. KRALSTEIN. I did not know that, Mr. Counselor, to begin with.

Mr. KENNEDY. Do you think it is proper?

Mr. KRALSTEIN. I would like to answer that.

(At this point, Senator McClellan withdrew from the hearing room.)

MR. KRALSTEIN. To me, it is not the amount, if it is \$10 or \$100,000. It is the principle of the thing.

I have participated in many, many dinners, including some of our highest officers of the American Federation of Labor-CIO. We have an excellent relationship, where I have the privilege and the honor of serving the members. We definitely work with each other, not only for these dinners. There have been so many dinners that we work for for worthy, worthy institutions: The City of Hope, the State of Israel, the federation, the UGA, any number of many, many more.

I have worked a great deal in even dinners for management, absolutely, strictly for management, and it was a decent, nice dinner. Whatever they gave him, I was not aware of and I did not know.

But the turnout was by the union and by management.

It is a practice that has existed even before I was born, and I am going to be 58 years old. It is nothing new.

MR. KENNEDY. Who else have received dinners?

You were going to make a list.

MR. KRALSTEIN. I have a list, and this is only a part list, because we spoke today. I say we have dinners here to Nathan Ehrlich—

MR. KENNEDY. Who is he?

MR. KRALSTEIN. The manager of local 51.

MR. KENNEDY. Employees were invited to that?

MR. KRALSTEIN. Employees.

MR. KENNEDY. And employers?

MR. KRALSTEIN. And employers. At no time has there been any dinner where we had a different attendance.

MR. KENNEDY. How much money did he get?

MR. KRALSTEIN. I don't know.

MR. KENNEDY. Did he receive any money?

MR. KRALSTEIN. I wouldn't be able to testify. I believe the records may be able to show for itself.

We have had for William F. Schnitzler, a dinner on September 9, 1950, in the Hotel Essex, Newark, N. J., given by local 84, where everyone participated. I know a little gift was presented to Mr. William F. Schnitzler, and also a gift to his wife.

MR. KENNEDY. How much did that amount to?

MR. KRALSTEIN. I don't know that amount. I don't know the value of the gift.

Senator CURTIS. What was the gift?

MR. KRALSTEIN. One was a gold watch. The other was a chest of silverware.

(At this point the chairman returned to the hearing room.)

MR. KRALSTEIN. We had a dinner in the Hotel St. George, on April 7, 1951, for the same party, Mr. William F. Schnitzler, and we did give him a Caddie car for \$4,052. We did give him a clock. We gave his wife a little token, a little ring for \$398. I know we had a dinner for Mr. Herman Winter, president emeritus of our B & C, in February 1946, where we did give to him a car, and to his lovely daughter a bracelet.

I know we had a dinner for Mr. Cross in the St. George Hotel, where they did give a Buick car, and an appropriate gift for his wife.

(At this point Senator Curtis withdrew from the hearing room.)

Mr. KRALSTEIN. We had another dinner in either 1953 or 1954 at the Commodore Hotel in March, when Mr. Cross became the president of our international, and I believe it was 1953, where we gave him enough money, about \$10,000 or \$11,000, in order to cover a mortgage of his home. I know that we gave a dinner, even—

The CHAIRMAN. May I interrupt with just one question to get this clear. When you say "we gave," do you mean the union gave it?

Mr. KRALSTEIN. Friends, the same as was given for me.

The CHAIRMAN. The same kind of a program of going out and soliciting from the employers as well as the employees?

Mr. KRALSTEIN. Yes, Your Honor.

The CHAIRMAN. I just want the record to be straight on this.

Mr. KRALSTEIN. I know of dinners that were given to, even, our secretary-treasurer, Curtis Sims, in Atlanta, Ga., in 1954, where a diamond ring was given to him. I know of dinners to the assistant now to Secretary-Treasurer William Schnitzler, Wesley Reedy, in Philadelphia, where enough money, and I don't know the sum, was going to be raised or was raised in order to help him purchase a home in Chicago. I know dinners were given for the business manager of local 150 in 1951 and another dinner in 1957, on January 20, to help him purchase a home.

I know there was a dinner given for Israel Hovitz, on his 70th birthday and 50th wedding anniversary which I had the privilege of attending, and I think it is well worth it. A man giving 50 years of his life, the least we can do is give him a little compliment.

Mr. KENNEDY. How much did he get?

Mr. KRALSTEIN. I don't know. I don't think it was much. I know of a dinner given in 1954 at the Hotel St. George to Manager Oscar Schindler of local 79 and Secretary-Treasurer Harry Burakoff.

I know of a dinner given to the secretary of local 452, John Alaio, in February 1957.

I know of a dinner given to Mr. Alter Bogel, a retired employee, where his friends had committed ourselves where he was lying on a deathbed, if God would be good enough to him, and we would be around, we would give him a little dinner, and we did, at the Belmont Plaza. There we presented to Mr. Bogel an oil painting of himself and to his wife some cultured pearls.

I participated recently in a dinner of Histadruth in honor of an employer, where we did raise the sum of about \$30,000.

I participated in a dinner given to "Pop" Darnitz and Dave Durst for the State of Israel, where we sold the equivalent of about \$300,000.

I also participated in a dinner for an employer, Louis Fields, on April 27, 1957, where I know we had given him a picture, an oil painting or whatever little trinket he did receive.

This has been going on for I don't know how many years. I would like to say, in all sincerity, in all humbleness, that no matter what dinner we give, and if it is given on a Saturday or a Sunday, and if we sit the next day across the table negotiating our contract, that bears no favoritism.

Mr. KENNEDY. Have any other dinners been given for you?

Mr. KRALSTEIN. For me? Yes. I think in 1952, local 164 had given me a dinner, not alone to me, but to international representative Dave Gefter and myself.

Mr. KENNEDY. Did you receive anything?

Mr. KRALSTEIN. Yes; I did.

Mr. KENNEDY. What did you get?

Mr. KRALSTEIN. I got a Chrysler car, plus a few thousand dollars which I in turn invested in Consolidated stock.

Mr. KENNEDY. Have you received any other dinners besides the one in 1952 and the one in 1956?

Mr. KRALSTEIN. In 1944 when I was made an international representative, 579 gave me a dinner, I think, on October 9, in Brooklyn.

Mr. KENNEDY. Do you know of any other individual who ever received—according to our figures, and I think it is a correction over the figures earlier—\$60,916.15? Do you know anyone else that got \$60,000?

Mr. KRALSTEIN. Mr. Kennedy—

Mr. KENNEDY. And plus the dinner?

Mr. KRALSTEIN. I hope it was a good thing.

(The witness conferred with his counsel.)

Mr. KRALSTEIN. You see, Mr. Kennedy, you are stressing the amount again.

Mr. KENNEDY. I know it is wrong of me, but I can't help it.

Mr. KRALSTEIN. It is exactly wrong. I say it is the principle and nothing else.

Mr. KENNEDY. Could you answer my question?

Mr. KRALSTEIN. I wouldn't know. I know certain people had a number of dinners. It may have equaled that total and may not have equaled that total.

Mr. KENNEDY. I asked you a question earlier, and you have been giving an explanation, but I don't think you answered it absolutely, and that is the question of whether you think this is proper or improper, to go to employers who do not know you?

Mr. KRALSTEIN. I don't know of any. I wouldn't permit it for anyone to be there—

Mr. KENNEDY. That is, who do not know you but who are asked for a contribution for your home?

Mr. KRALSTEIN. Mr. Kennedy, as given to me, it was only for friends of mine. I wouldn't want anyone there—

Mr. KENNEDY. If this happened, and according to the sworn testimony before this committee, it did happen, do you feel that is proper or improper?

Mr. KRALSTEIN. I wouldn't want anyone there.

Mr. KENNEDY. Could you answer whether you think it is proper or improper?

Mr. KRALSTEIN. I want to answer it this way, if I may: We have solicited, as I have explained, and I personally have also taken part in it, solicited for the various institutions or for the various individuals, and we never went in there to tell them, "Do you know him? How much do you like him?" or anything like it. We told them we were running a dinner for an individual for that purpose.

Mr. KENNEDY. You think it is all right to go to an employer who does not know the employer and ask him for money?

Mr. KRALSTEIN. For myself, I wouldn't want it.

Mr. KENNEDY. You have done it in the past, you said.

Mr. KRALSTEIN. When we solicited for the dinners, the purpose of the dinner and the individual was mentioned. We never bothered to ask if you know him. We took it for granted that you knew him.

Mr. KENNEDY. You don't think, then, there is anything improper about asking an employer who doesn't know the individual to contribute money?

Mr. KRALSTEIN. Mr. Kennedy, I don't know of anybody that doesn't know me in New York City.

Mr. KENNEDY. Would you answer the question?

Mr. KRALSTEIN. No, I wouldn't like it. I don't think it is like—

The CHAIRMAN. That answers it. Are there any other questions?

Senator McNAMARA. You are still the international vice president?

Mr. KRALSTEIN. Yes, sir.

Senator McNAMARA. Were you originally appointed to the job of international vice president?

Mr. KRALSTEIN. I was appointed in November 1947.

Senator McNAMARA. By whom?

Mr. KRALSTEIN. By President Herman Winter, with the approval of the general executive board.

Senator McNAMARA. Herman Winter?

Mr. KRALSTEIN. Yes, sir. He was the president at that time.

Senator McNAMARA. And you were appointed by the executive board action, and he made the appointment for the board; is that it?

Mr. KRALSTEIN. It was his recommendation to the general executive board, and I was appointed.

Senator McNAMARA. And they approved it?

Mr. KRALSTEIN. And I have been reelected in 1951 and reelected in 1956.

Senator McNAMARA. Not reappointed but reelected at your national convention? Is that the way you do?

Mr. KRALSTEIN. Prior to 1956, we had our elections by referendum by the entire membership of our international. In 1956 we changed it by delegates at the convention.

Senator McNAMARA. Do you have any local unions in your district now under trusteeship?

Mr. KRALSTEIN. No, sir.

Senator McNAMARA. Have you had?

Mr. KRALSTEIN. Yes, sir.

Senator McNAMARA. But at the present time, there are none in the New York area?

Mr. KRALSTEIN. None at all.

Senator McNAMARA. Thank you.

Mr. KENNEDY. I have one more question.

Was any of the money that you received given or loaned to Mr. Cross?

Mr. KRALSTEIN. No—the money that I received?

Mr. KENNEDY. Yes.

Mr. KRALSTEIN. No, sir.

Mr. KENNEDY. Have you loaned or given any money to Mr. Cross?

Mr. KRALSTEIN. Yes, sir.

Mr. KENNEDY. When did you do that?

Mr. KRALSTEIN. I don't know the date. About 4 or 5 weeks ago.

Mr. KENNEDY. How much money did you loan to him?

Mr. KRALSTEIN. I gave the stock that I had for him to obtain a \$15,000 loan, where I received the interest from it. I gave it as collateral.

Mr. KENNEDY. How much was that?

Mr. KRALSTEIN. Approximately \$15,000.

Mr. KENNEDY. I just want to finish up.

You receive only your expenses from the international? Do you receive expenses from anywhere else?

Mr. KRALSTEIN. I have no other income. I have no other interest but the job that I have with the international.

Mr. KENNEDY. Do you receive expenses other than from the international? Do you receive any expenses from the locals?

Mr. KRALSTEIN. No, sir; emphatically not.

Mr. KENNEDY. In the international, there were some questions raised before about your salary and expenses. From the international in 1956, you received \$8,507.40 as salary, and expenses of \$8,609.97, a total of about \$17,000—\$17,200.

Mr. KRALSTEIN. No, that is not the right sum. The section that I serve is the only one that has an office maintained by the international where the expenses of rent, for the girl, telephone, lights, office, miscellaneous, are charged to me. A small item of even \$206 is rent. Our telephone bills there do run from \$75 to \$100. Western Union may run another \$25 to \$30. The complete office stationery, including stamps, may run about \$25 to \$30.

That is all charged to me, what you have just now read. It makes good reading, but I have nothing to do with it.

Mr. KENNEDY. If you will remember, Mr. Kralstein, I asked you downstairs what your expenses were, and I asked you to submit them.

Mr. KRALSTEIN. You remember what I told you. I said I couldn't give it to you; I don't know it.

Mr. KENNEDY. These are the figures you gave us.

Mr. KRALSTEIN. But I want to include the statement that these are not my expenses, chargeable to me.

Mr. KENNEDY. In view of your statement that you did not feel that perhaps this was right of going to these employers that did not know you, to contribute to this dinner, would you refund the money to them—the ones that did not know you?

Mr. KRALSTEIN. I don't know of any, but I would be happy if anyone came over to me to give him his money. I know there were hundreds of people there, and I have listened to 5 to 12, surely there must have been someone that did say something all right.

Mr. KENNEDY. Thank you.

Senator McNAMARA. Mr. Chairman?

The CHAIRMAN. The Chair would like to observe that if these are your expenses and they go for that purpose, it is quite a contrast between the way your expenses are accounted for and some of the other unions that we have had up here before us. Those expenses, the \$8,000, going for office rent and those things, it indicates to the Chair that your office, at least, in that respect, is being run economically and in the interest of your members.

Mr. KRALSTEIN. That is all I say.

Senator McNAMARA. Mr. Chairman, I would like to ask about this loan to Mr. Cross.

Has it been repaid?

Mr. KRALSTEIN. No, sir.

Senator McNAMARA. No?

Mr. KRALSTEIN. No.

Senator McNAMARA. You are receiving the interest on it right along?

Mr. KRALSTEIN. It just took place about 4 or 5 weeks ago. When the interest is due, I will get it.

Senator McNAMARA. This is very recent, 4 or 5 weeks ago?

Mr. KRALSTEIN. Yes, sir.

Senator McNAMARA. Do you know Nathan Shefferman?

Mr. KRALSTEIN. No, sir.

Senator McNAMARA. You never heard of him?

Mr. KRALSTEIN. Never heard, never seen him.

Senator McNAMARA. That is all.

The CHAIRMAN. The committee will stand in recess until 2 o'clock. (Whereupon, at 12:30 p. m., the committee recessed, to reconvene at 2 p. m., the same day.)

(Members present at the taking of the recess: Senators McClellan and McNamara.)

AFTERNOON SESSION

(Members present at the convening of the afternoon session: Senators McClellan, Goldwater, and Curtis.)

The CHAIRMAN. The committee will come to order.

Mr. Barclay, will you come forward?

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BARCLAY. I do.

TESTIMONY OF ALBERT BARCLAY

The CHAIRMAN. We have been delayed a little because there was some indication or some developments that indicated we would probably have to hold a very brief executive session before we could resume this afternoon, but the situation changed and it was not necessary to do so.

We can now proceed and I am sorry we could not apprise you of that fact when we recessed at noon.

State your name, your place of residence, and your business or occupation, please.

Mr. BARCLAY. My name is Albert Barclay, and I live at 2115 Graham Avenue, Redondo Beach, and I am business manager in a food and cocktail bar.

The CHAIRMAN. What city?

Mr. BARCLAY. In Torrence, Calif.

The CHAIRMAN. Have you talked with members of the staff, Mr. Barclay, and do you know generally the line of interrogation to expect?

Mr. BARCLAY. Yes, sir, I do.

The CHAIRMAN. Under the rules of the committee, as you know, you are entitled, if you desire to have counsel present to advise you of your rights while you testify. Do you desire to waive counsel?

Mr. BARCLAY. Yes, sir, I do.

The CHAIRMAN. Thank you very much.

Mr. Kennedy, will you proceed?

Mr. KENNEDY. Mr. Barclay, you were formerly with the bakers union?

Mr. BARCLAY. Yes, sir, I was.

Mr. KENNEDY. For what period of time?

Mr. BARCLAY. For approximately 7 months, sir.

Mr. KENNEDY. What period of time was that?

Mr. BARCLAY. From June 19, 1955, until January 1956.

Mr. KENNEDY. Why did you leave the bakers' union?

Mr. BARCLAY. I was released by the assistant trustee upon orders of the international president.

Mr. KENNEDY. What was your position with the bakers' union?

Mr. BARCLAY. Office manager there, sir.

Mr. KENNEDY. Why were you released?

Mr. BARCLAY. The reason for release was that they had appointed a new financial secretary, and that too many in the office would make some sort of confusion, and I would no longer be needed.

Mr. KENNEDY. Was there any reason, any other reason, that you thought you were released for?

Mr. BARCLAY. Other than I was not wholly 100 percent going along with what they were doing; no, sir.

Mr. KENNEDY. What appeared to you to be any financial transactions. What local was this?

Mr. BARCLAY. Local 47, in Los Angeles.

Mr. KENNEDY. In trusteeship at the time?

Mr. BARCLAY. Yes, sir.

Mr. KENNEDY. Is it out of trusteeship now?

Mr. BARCLAY. No, sir.

Mr. KENNEDY. How long has it been in trusteeship?

Mr. BARCLAY. Since July 8, 1955.

Mr. KENNEDY. Do you know why it was put into trusteeship?

Mr. BARCLAY. Basically, the reason for trusteeship, they had been trying to get in there for years, but basically it was so that they could arrange for their B&C health and welfare proposal or proposition.

Mr. KENNEDY. You mean so the international could put their own system in?

Mr. BARCLAY. That is right, under trusteeship whatever they say goes, and there is no autonomy; and the members don't have any say-so whatsoever.

Mr. KENNEDY. While you were office manager in that local, did you observe any transactions that appeared to you to be irregular, financial transactions?

Mr. BARCLAY. Yes, sir; I did.

Mr. KENNEDY. Could you relate that to the committee?

Mr. BARCLAY. There was a weekly transaction of \$35 that involved me turning over an expense account made out to myself, to one John D. Nelson.

Mr. KENNEDY. What was John Nelson's position.

Mr. BARCLAY. Assistant trustee. It was to be used for purposes that could not be accounted for in case the district attorney came to examine the books and this was a legitimate expense.

Mr. KENNEDY. The expense was paid to you, \$35 a week, and you, in turn, signed the check?

Mr. BARCLAY. And put the money in an envelope and turned it over to John D. Nelson, for his disposal.

The CHAIRMAN. Did you not have any expenses?

Mr. BARCLAY. No, sir.

The CHAIRMAN. Although the check was made out to you?

Mr. BARCLAY. That is right, sir. The reason for that was that they had relieved the financial secretary and there was nobody acting only the trustee in there and myself.

So that is salary I was getting, \$151.50 per week and \$35 weekly expense.

Now, seeing that I was carrying on both duties, under Mr. Nelson's supervision, so to speak, then it would appear to be a logical expense. I could take over the \$35.

The CHAIRMAN. But you were having no expense?

Mr. BARCLAY. No, sir.

The CHAIRMAN. And the \$35 being paid to you that way was a false entry in the books so far as the truthfulness of it and the actual expense was concerned?

Mr. BARCLAY. That is right.

The CHAIRMAN. And you were required to cash the check and turn the money over to whom?

Mr. BARCLAY. John D. Nelson.

The CHAIRMAN. Who is that?

Mr. BARCLAY. John D. Nelson, the assistant trustee.

The CHAIRMAN. He was the assistant trustee?

Mr. BARCLAY. That is right, sir.

The CHAIRMAN. What did he do with the money?

Mr. BARCLAY. He used it for various reasons, to take care of any unethical practices such as beating up of a boy, or burning of a car, or beating up of a colored gentleman, or something like that, moneys that couldn't be actually entered and accounted for.

The CHAIRMAN. It was to be used for improper purposes?

Mr. BARCLAY. That is right, sir.

The CHAIRMAN. Did you know that was going on?

Mr. BARCLAY. Yes, sir.

Mr. KENNEDY. You mean the three instances that you have related, you know took place?

Mr. BARCLAY. Yes, sir.

Mr. KENNEDY. Did Mr. Nelson describe to you the reason why it was being handled in this fashion?

Mr. BARCLAY. Other than that it couldn't show on the books. I was there when the child got beaten up, and so forth, and I later reported it to the FBI.

Senator CURTIS. May I ask something there?

The money was used to pay the person who did the beating?

Mr. BARCLAY. This \$35, he would keep in his pocket and keep adding and then whatever the fee was, it was used for that; yes, sir.

Senator CURTIS. Who would he hire to commit these acts of violence?

Mr. BARCLAY. Different individuals, from the union, or one specifically was a Frank Gardon, an international organizer from Philadelphia.

Senator CURTIS. Frank Gardon?

Mr. BARCLAY. Yes, sir.

Senator CURTIS. He was international organizer for the bakers' union?

Mr. BARCLAY. Yes, sir.

Senator CURTIS. Is he still occupying that job?

Mr. BARCLAY. I believe so, sir.

Senator CURTIS. Were there any others that were within the union?

Mr. BARCLAY. Yes, there was one Vince Kinney, and when he was fighting was a pugilist by the name of Eddie Cool, and he was used for some means.

Senator CURTIS. His name was Kinney?

Mr. BARCLAY. Vince Kinney.

Senator CURTIS. What was he hired to do?

Mr. BARCLAY. He was hired to stool and watch, and in other words, if there was somebody to be hired, seeing that he was in the pugilist field, he was to get them for Mr. Nelson.

Senator CURTIS. Now, the first man that you mentioned that was from Philadelphia—

Mr. BARCLAY. That is Frank Gordon.

Senator CURTIS. What was he hired to do?

Mr. BARCLAY. Well, actually he belongs to what they call the goon squad where if they are needed for any pugilistic or any beatings up, he is flown in for that purpose.

Senator CURTIS. How big a goon squad do they have?

Mr. BARCLAY. According to them they have a Chinese army.

Senator CURTIS. What does that mean?

Mr. BARCLAY. I would imagine it would be in the multitudes, and I couldn't exactly name the number, sir.

Senator CURTIS. Who were some of the people they beat up?

Mr. BARCLAY. Well, they beat up this 14 year old boy, a son of one of the owners, that was sending baked goods over to one of the plants that we had under strike. Then there was a beating up in San Francisco.

Senator CURTIS. What was that boy's name?

Mr. BARCLAY. Newsome, and I don't know the first name.

Senator CURTIS. Do you know who beat him up?

Mr. BARCLAY. Yes, sir.

Senator CURTIS. Who did?

Mr. BARCLAY. Mr. Frank Gardon and one John D. Nelson.

Senator CURTIS. It took two of them to beat up a 14-year-old boy?

Mr. BARCLAY. The first party was Frank Gardon, and he went up and started to box. I had orders to take the picket down to the other end of the building, and then Mr. Frank Gardon went up to the boy and started pummeling him, and Mr. Nelson ran over to the car and grabbed the blackjack and went over and hit him on the head. They did not quite finish the boy, and he jumped up and saw the first three numbers of the 1954 Buick which was an international car, bearing Chicago plates, before they moved to Washington, and he recalled 177, the first three numbers of the car, which was John Nelson's car.

Senator CURTIS. And you were asked to take the picketline down so the rest of the pickets wouldn't see this?

Mr. BARCLAY. That is right, sir.

Senator CURTIS. Now, who else was beaten up?

Mr. BARCLAY. There was a colored gentleman, and I don't know his name, and he was back at this same place, and then there was Mr. Joe Cane, and a man and woman, I have forgotten the names, up in Frisco.

Senator CURTIS. Who would order these beatings up?

Mr. BARCLAY. Who would order them? Well, to be truthful, I do not believe it was George Stuart. George Stuart seems to be taking a lot of the blame, but all I can recall was that Mr. Nelson called daily to Washington, D. C. and took his orders from James Cross, the international president.

Senator CURTIS. What was Nelson's position?

Mr. BARCLAY. Nelson is assistant, assistant trustee.

Senator CURTIS. He was the man that you turned the money over to?

Mr. BARCLAY. That is right, sir.

Senator CURTIS. That is all for now.

Mr. KENNEDY. How long did the \$23 a week, for how long a period of time did that continue?

Mr. BARCLAY. Until I was released.

Mr. KENNEDY. How long a period of time was that?

Mr. BARCLAY. Three months, approximately.

Mr. KENNEDY. You yourself were released, and wasn't there a trial that you had and the accusation was against you that you were going to beat John Nelson up?

Mr. BARCLAY. At a later date; yes, sir; there was a trial in April, and then one in June, a retrial, the following year.

Mr. KENNEDY. You say that you were going to beat John Nelson up?

Mr. BARCLAY. That is what the charges were.

Mr. KENNEDY. Were you found guilty?

Mr. BARCLAY. Yes, sir.

Mr. KENNEDY. And you were discharged?

Mr. BARCLAY. Expelled for life; yes, sir.

Mr. KENNEDY. Expelled from the bakers union for life?

Mr. BARCLAY. That is right.

Mr. KENNEDY. That was a union charge; it was not a civil court?

Mr. BARCLAY. That is right.

Mr. KENNEDY. Were there any other financial irregularities or what appeared to you to be financial irregularities?

Mr. BARCLAY. There was another irregularity that I did not care for. There was a weekly expense going on for a strike being conducted at Golden Crust Bakery, where the employees were to sign a small green book for their money. Then there was mileage and other expenses, and they would turn in these stipulated amounts of money, and no vouchers or receipts to back it up. I do believe that the \$1,500 a week totaling 7 months, some forty-thousand-odd dollars spent in the organization, did not all go for organization; no, sir.

The CHAIRMAN. Over what period of months?

Mr. BARCLAY. Seven months.

The CHAIRMAN. Over 7 months, \$40,000 was expended or charged to organizational expense?

Mr. BARCLAY. Yes, sir.

The CHAIRMAN. And you say it didn't all go for that?

Mr. BARCLAY. No, sir.

The CHAIRMAN. Do you know what it went for?

Mr. BARCLAY. Well, I believe, sir, that the signatures, some of them are fictitious. However, they have burned up or lost the expenses, so that you cannot verify that.

The CHAIRMAN. When did this occur?

Mr. BARCLAY. It started on October 22, at 8 p. m., in 1955, and it was carried on to May of 1956.

The CHAIRMAN. It went on to May of 1956?

Mr. BARCLAY. That is right, sir.

The CHAIRMAN. What did you say about their records?

Mr. BARCLAY. The records have been destroyed, sir.

The CHAIRMAN. The records have been destroyed?

Mr. BARCLAY. That is right, sir.

The CHAIRMAN. Accidentally?

Mr. BARCLAY. Well, we might put it that way. For the benefit of some; yes, sir.

Senator GOLDWATER. I am interested in the statement that you just made about the books. What books were you referring to? Not the ones that were destroyed, the little book.

Mr. BARCLAY. Sir, they had evidently a picket captain, who would keep the time of the pickets, and then a small green book would be signed and it would be determined how much would be paid a weekly maximum of \$55.

Senator GOLDWATER. Was that book an individual book?

Mr. BARCLAY. An individual book, for each week; yes, sir.

Senator GOLDWATER. And did the individual union member keep that book?

Mr. BARCLAY. No, sir.

Senator GOLDWATER. It was kept by the office?

Mr. BARCLAY. That is right, sir.

Senator GOLDWATER. Of the union.

Mr. BARCLAY. Yes, sir.

Senator GOLDWATER. Let me ask you, Did every transaction of the union in relationship to the member—was that noted in the book?

Mr. BARCLAY. No; just their signatures. No amount was specified. However, it was turned in for the amount of \$55.

Senator GOLDWATER. Well, let me ask you this: Let us say an assessment was made for political purposes, let us say, and did that book have to have a stamp put in it, attesting to the fact that the assessment had been made?

Mr. BARCLAY. Supposedly all members' books are to have assessments made and stamped in.

Senator GOLDWATER. And they are stamped in?

Mr. BARCLAY. Yes, sir.

Senator GOLDWATER. And each time he paid his dues, that was recorded in that book?

Mr. BARCLAY. That is right, sir.

Senator GOLDWATER. Each time he made any payment to the union it was recorded in that book?

Mr. BARCLAY. That is right; all moneys coming in would have to be accounted for, and a stamp issued, and on the day-book page that transaction should be noted. That money was then deposited.

Senator GOLDWATER. The union member did not keep this book?

Mr. BARCLAY. Oh yes; they kept their own books, but we are referring again to a book that was used weekly for strike benefit.

Senator GOLDWATER. Then the individual record book was kept by the union member but the strike record book was kept by the strike steward?

Mr. BARCLAY. That is right.

Senator GOLDWATER. Do you have one of those books?

Mr. BARCLAY. I do, sir.

Senator GOLDWATER. I wonder if we could take a look at it?

Mr. BARCLAY. Yes, sir.

(A document was handed to Senator Goldwater by the witness.)

Senator GOLDWATER. Let us suppose that a union member applied for a welfare payment or an overtime payment, any payments that would come out of the union treasury. If he had been assigned to the picket line, and had played hooky, let us say, could the steward make it a little hard for him in collecting that money that was due him if he did not have a notation in here?

Mr. BARCLAY. The O. K. was made up by Mr. Meyers and Mr. Nelson, and they were the ones who determined the amount, what was to be paid each individual.

Senator GOLDWATER. I think we missed the point. If John Smith applied for any payment that the union handled, whether it be a welfare or sick payment, or overtime payment or whatever it might be, and he didn't have any signed tickets in this book, and he had been asked to be on the picket line, would his chances be good of getting that money that was due him?

Mr. BARCLAY. Yes; there was another record kept, you understand, and it could be granted as a favor: yes.

Senator GOLDWATER. This book was then kept by the office or the picket line steward?

Mr. BARCLAY. In the office of the local. You see, it worked this way: The pickets would come up and sign their name at the beginning of the strike, for a certain amount of money was entered there. At a later date, Mr. Meyers or Mr. Brian would take the money in cash and sign the people's names themselves.

Senator GOLDWATER. The reason I was interested in that, Mr. Chairman, is that in one of the better known unions in New York, the individual book with the stamps are kept by the union and the member has nothing to do with it, and I was anxious to know if your union did that. I think it is a bad practice and one we ought to get into.

Mr. BARCLAY. That is right.

The CHAIRMAN. As I understand it, this book that you presented to the committee is a special strike book, and that is not the membership book that the member has to keep.

Mr. BARCLAY. That is right; that is the special strike book.

The CHAIRMAN. This is used only and was being used in this strike that you are talking about.

Mr. BARCLAY. That is right.

The CHAIRMAN. Where \$40,000 was paid out in 7 months' time?

Mr. BARCLAY. That is right.

The CHAIRMAN. And it is your opinion that many of the entries in that book were falsified so that somebody could profit that wasn't entitled to it?

Mr. BARCLAY. That is right, sir.

Mr. KENNEDY. Now, I notice in this book that it is already signed. Does that mean that the receipts are signed in blank?

Mr. BARCLAY. That is right.

Mr. KENNEDY. Is that the basic problem, as you see it, because any figure could be put in here that they wished to put in?

Mr. BARCLAY. That is right.

Mr. KENNEDY. So that it would appear that these people were getting any amount of money that they wanted to have appear?

Mr. BARCLAY. Yes, sir.

Mr. KENNEDY. And actually they could give them only a part of the \$55 and keep the rest?

Mr. BARCLAY. Yes, sir.

Mr. KENNEDY. And you say that went on?

Mr. BARCLAY. That is right.

Mr. KENNEDY. Were there any other financial irregularities that you feel would be financial irregularities?

Mr. BARCLAY. There was the \$75 a week that was mentioned.

Mr. KENNEDY. What was that \$75 a week?

Mr. BARCLAY. The \$75 a week was an expense that came in. The international union sent in a check of \$75 weekly to cover a check that was drawn out of our local for \$75. This was to be given to an individual, and it was released to the membership that there was a lady organizer working in the crowd. First it was an organizer and it was not known to be a lady or a man, but at a later date it was given out that it was a lady.

Mr. KENNEDY. So that you understood or heard that there was a lady organizer?

Mr. BARCLAY. That is right, sir.

Mr. KENNEDY. Active out there that was doing some work and the international was sending her checks of \$75 a week?

Mr. BARCLAY. That is right, sir.

Mr. KENNEDY. Did you ever learn who the lady organizer was?

Mr. BARCLAY. Yes, I believe.

Mr. KENNEDY. Only if you know who it was.

Mr. BARCLAY. I do, sir.

Mr. KENNEDY. Who was it?

Mr. BARCLAY. It was Mr. Cross' girl friend, so to speak, Elsie K. Lower.

The CHAIRMAN. Whose girl friend?

Mr. BARCLAY. The president, the international president's.

The CHAIRMAN. You mean Mr. Cross?

Mr. BARCLAY. That is right, sir.

Mr. KENNEDY. Do you know what work she was doing?

Mr. BARCLAY. Supposedly she was supposed to be—she was put at, I believe, organizing and getting names for Van Kamps or something like that, and she was given the weekly amount of money, plus the use of the international car, in which it was involved in an accident.

Mr. KENNEDY. Did you ever know of any work that she did for the union?

Mr. BARCLAY. No, sir; I did not.

The CHAIRMAN. Did she make any report to your local?

Mr. BARCLAY. No, sir; I never did see her but a few times.

The CHAIRMAN. You were managing the office?

Mr. BARCLAY. I know, but this was a transaction between Mr. Nelson, privately, for Mr. Cross.

The CHAIRMAN. Are you not the manager, or is the manager not taken into confidences in arrangements like that?

Mr. BARCLAY. Only what I was told to be let known, in other words.

The CHAIRMAN. Even what you were told, you were supposed to forget?

Mr. BARCLAY. That's right, or else.

The CHAIRMAN. Or else?

Mr. BARCLAY. Yes, sir.

Mr. KENNEDY. You did not feel this was a proper use of union funds?

Mr. BARCLAY. It most certainly was not.

Mr. KENNEDY. That is all, Mr. Chairman.

The CHAIRMAN. Are there any further questions?

(At this point, Senator Curtis withdrew from the hearing room.)

The CHAIRMAN. I understand that you no longer are connected with the union. You are suspended for life?

Mr. BARCLAY. That is right.

The CHAIRMAN. Because you protested these matters that you have testified to?

Mr. BARCLAY. That is right, sir; because of that and then a plan was drawn up where this stooge of Mr. Nelson's, this Vince Kinney, supposedly was at a meeting one night with one business agent, and the recording secretary, and I dropped in at their home and there was a party going on and I was uninvited and there was discussion of the union.

Now, we discussed about the beating up of the 14-year-old boy, and, of course, they had been drinking in the party and it became apparent that they were upset and they said, "We would like to beat the hell out of that damn Nelson."

Mr. Nelson's cohort came up with the idea that Mr. Nelson was at the Anglo Hotel at Olympic and Figaro with one of my office girls at the hotel, and that if we went down there we could beat the hell out of him.

So I didn't like the idea of that, because it would be too apparent, and so I said we better not do that and he jumped in again, and he said, "I will take care of it. I have access to all of the pugilists," and so he took care of it, he said.

Mr. Nelson was never beat up and he went out of town for a week and he came back after supposedly being beat up with a false bandage over his eye and we were brought to trial for that and we were expelled for life.

The CHAIRMAN. You were not present?

Mr. BARCLAY. No, sir.

The CHAIRMAN. You had nothing to do with beating him up?

Mr. BARCLAY. No, sir.

The CHAIRMAN. If he was ever was beaten up.

Mr. BARCLAY. No, sir; he was never beaten up. He testified to that. The CHAIRMAN. It was just a false charge?

Mr. BARCLAY. Yes, sir.

The CHAIRMAN. You state that under oath?

Mr. BARCLAY. I certainly do, sir.

Senator GOLDWATER. What was the charge, Mr. Barclay, that they brought against you?

Mr. BARCLAY. It says:

For failure to comply with the international union's constitution and bylaws and by your failure to abide by the oath of membership, that you are guilty of violations of subparagraphs 1, 2, 3, 4, 6, 11, 15, and 17 of section 7 of article XXIII, by your course of conduct in conspiring to cause a physical assault on John Nelson, assistant trustee, and other duly designated officials of the local, and for that you are hereby permanently ineligible for membership in any other local of the Bakery and Confectionery Workers International Union of America.

Senator GOLDWATER. Did those various paragraphs of section 7 that you mentioned specifically prevent you from venting your wrath upon any member of the union?

Mr. BARCLAY. They are not explicit in any viewpoint, sir. Those particular articles would mean that some morning if I ran out of bread and saw a man coming along and I bought a loaf of Hellmann's bread, I would be suspended for that, or if I smoked a Camel cigarette, something of that sort. There is nothing explicit and nothing pinpointed.

Senator GOLDWATER. Is there anything in the union's constitution that prevents you, if you have a violent political argument with one of your brethren, from trying to impress him with the merits of your viewpoint by your fists?

Mr. BARCLAY. Well, I don't believe that there is explicit pinpointed that way; no, sir.

Senator GOLDWATER. If you had intended to inflict bodily harm on Mr. Nelson, would it have been because of actions in the union or because of personal feelings?

Mr. BARCLAY. Had I wished to, I could have taken care of him in another manner, but I had no wish to do the same. An eye for an eye or a tooth for a tooth wouldn't do me a damn bit of good.

Senator GOLDWATER. It very rarely does, to tell you the truth. You will wind up losing everything.

Do you have any recourse from this decision?

(Senator Curtis entered the hearing room.)

Mr. BARCLAY. Recourse?

Senator GOLDWATER. Is there any higher court in the union that you can go to?

Mr. BARCLAY. The only way, sir, is that I hope to God that someday another president may come in and we may appeal the decision, and hope for the best from there on.

Senator GOLDWATER. Are you trained in any other trade than the bakery trade?

Mr. BARCLAY. Yes, sir; I am. I have been in the baking game since 1935 and I graduated from three institutes and I hold a master's, as a decorator in sugar work and candy and fine decorating, and I graduated and majored in business administration, so that I can go to other fields.

Senator GOLDWATER. You have had other employment, then?

Mr. BARCLAY. Yes, sir.

Senator GOLDWATER. Thank you.

Senator CURTIS. I would like to ask a question. Was anyone else tried by the union besides you?

Mr. BARCLAY. There were seven people tried.

Senator CURTIS. How many were expelled?

Mr. BARCLAY. Three.

Senator CURTIS. Who were the other two?

Mr. BARCLAY. The other two were Mr. Robert Moultrie and Mr. James Hennigan, the recording secretary.

Senator CURTIS. Who presided over that trial?

Mr. BARCLAY. A Mr. Dave Geffer from New York, I believe. He was the hearing officer appointed by Mr. Cross.

Senator CURTIS. Did witnesses appear before that trial and testify that they were eye witnesses to the assault on Mr. Nelson?

Mr. BARCLAY. No, sir; there were no eye witnesses to any assault on Mr. Nelson.

Senator CURTIS. But they did not testify to that?

Mr. BARCLAY. No, sir.

Senator CURTIS. Did you testify?

Mr. BARCLAY. Yes, sir.

Senator CURTIS. Were you permitted to cross-examine their witnesses?

Mr. BARCLAY. Limited to what questioning you could do; yes, sir.

Senator CURTIS. Did you have an attorney?

Mr. BARCLAY. No, sir; we were not allowed an attorney. In union activities if you go to an attorney, they are just out anyway.

Senator CURTIS. This man that presided, he made the decision?

Mr. BARCLAY. That is right. He supposedly submitted a report in August after the hearing. First, there was a hearing in April and they found that it was in error and so they had a rehearing. At that trial in April the 7 of them, 3 were suspended for 3 months and another was suspended for 5 years and the 3 that I have mentioned were expelled for 15 years.

Then, they found that they were in error over a recording that was taken and they had a retrial in June, on June 12, 13, and 14. The decision of that was the outcome that the other 4 were reinstated to full membership and the 3 of us were expelled for life.

Senator CURTIS. Did Nelson appear and testify?

Mr. BARCLAY. That's right, sir.

Senator CURTIS. Did he testify that you beat him up?

Mr. BARCLAY. I believe he did, that he was beaten up and not that I did it, but that he was beaten up and I don't know who did it.

Senator CURTIS. But he did not identify you?

Mr. BARCLAY. No, only by the fact that through his Vince Kinney, that we had discussed some violence of some sort, at this party. That is all. That is all it was based on.

The CHAIRMAN. I have just one concluding question. Do you know whether any disciplinary action was ever taken against those two that beat up the boy, by the union?

Mr. BARCLAY. No, sir, there was no disciplinary action, because as Mr. Nelson so stated before, I believe, downstairs, the boy got up and

saw the first three numbers and he knew it was John Nelson's car. The only sight and the person that he would have seen would have been Frank Gardon, a darker fellow.

The CHAIRMAN. I am asking if the union ever took any disciplinary action against any of them.

Mr. BARCLAY. No, sir.

The CHAIRMAN. That is all I want to know. Thank you very much. You may stand aside for the present.

Mr. KENNEDY. John Nelson.

(Present at this point were Senators McClellan, Goldwater and Curtis.)

The CHAIRMAN. Will you be sworn? You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth and nothing but the truth, so help you God?

Mr. NELSON. I do.

TESTIMONY OF JOHN D. NELSON, ACCOMPANIED BY HIS COUNSEL, GEORGE E. BODLE

The CHAIRMAN. Please state your name and your place of residence and your business or occupation.

Mr. NELSON. John D. Nelson, I live at 4202 Maple Street, Omaha, Nebr.

The CHAIRMAN. What is your present business or occupation?

Mr. NELSON. I work for the Bakery and Confectionery Workers International Union. At the present time on assignment in Los Angeles, Calif., as assistant international trustee, over baker's local 47.

The CHAIRMAN. I note you have counsel with you.

Mr. NELSON. Yes.

The CHAIRMAN. Counsel, will you identify yourself for the record?

Mr. BODLE. George Bodle, 458 South Spring Street, Los Angeles, Calif. Mr. Chairman, may I just say a word?

In view of the accusations which have been made and in view of the fact that my client intends to testify freely and without resort to any device that might be had, if it should appear that some of these allegations that have been made are not fully answered in the course of his testimony, I would like leave of the committee to submit additional questions which will give him an opportunity to answer the accusations which have been made.

The CHAIRMAN. In the course of the interrogation of the witness, counsel feels that some other particular question should be asked, counsel may submit it to the committee for its discretion.

In the meantime, of course, the witness is free to testify and if there is any statement which has been made that he wishes to refute, he is at liberty to do so, whether he is interrogated about that particular circumstance or not.

All right, Mr. Counsel, you may proceed.

Mr. KENNEDY. Mr. Nelson, I asked Mr. Barclay about what appeared to him to be any financial irregularities. He started out in the first matter of \$35 a week in expenses that he received. He just stated that he turned it over to you for a period of approximately several months.

Did you receive any of that money? I know that I asked you this question just before we came in here and you said you had received none of it. I will ask you again under oath whether you ever received any of that money.

Mr. NELSON. I have received none of the money that he has stated, where he said that it came from \$35 per week on his weekly expense.

However, I did receive money from Barclay. I told him previously that it was costing me approximately \$35 out on the picketline, out of my own money. My personal expenses, the international union would not reimburse me for because of the fact that they would not bear the full cost of the strike.

I did receive \$35 a week for approximately—I don't know. Probably 7 or 8 weeks.

Mr. KENNEDY. That was \$35 that was paid to Mr. Barclay as expenses?

Mr. NELSON. I do not know for sure whether it was or not. However—

Mr. KENNEDY. It was not Mr. Barclay's own personal money, was it?

Mr. NELSON. Let me say this: At the time Barclay was released, there was suspicion in my mind that he was dipping into the till of the local union. I will say this very frankly and honestly.

At the time the Golden Crust strike started on October 22, I had no time whatsoever to spend in the office of the bakers union. For 2 straight weeks I spent day and night on the picketline.

I worked nights on the picketline, days on other assignments that required immediate attention. In the middle of December, when it became quite apparent, the political activities of certain individuals in the local union, I became suspicious of Al Barclay.

For one reason, in the interim he had bought himself a new car. He had that car, I believe, approximately a month. He turned around and bought another one. I was told by other people of his journeys to Las Vegas and the money that he was spending.

I could not prove it. The bookkeeping was done by Al Barclay up to the time that I released him. He made out the checks. I believe he made out every check. I cannot state, without seeing all the checks, whether or not I made any of them out. If I did, they were very few, probably not over 3 or 4. There is an item in November of \$500 that just does not jibe with the records of the strike benefits.

Also, it became aware to me that he was getting a weekly expense. He also, at one time, gave an office girl a wage increase without my knowledge. I might say this: Being busy on the strike, I was handed the checkbook and I signed the checks.

I did not bother to check the propriety of all of those checks. However, I do have some supporting documents with me.

Mr. KENNEDY. Let us see if we can go back to the question. We are interested in whatever information you have on his financial irregularities. We can go through what he stated about you.

You said that it came to your attention that he was getting a weekly expense. You did not know that he was getting a weekly expense?

Mr. NELSON. I did not know that at the time. I knew it prior to the letting of him go, right around the New Years.

Mr. KENNEDY. You were receiving from him, as I understand it—or were you receiving from him—the \$35 a week?

Mr. NELSON. I said that I was receiving from him \$35 per week. I told him that that is what it was costing me, approximately, on the picketline out of my personal moneys.

Mr. KENNEDY. That came from him personally, did it not? You understood that came from him personally?

(The witness conferred with his counsel.)

Mr. NELSON. I figured that it was coming out of the miscellaneous organizing expense.

Mr. KENNEDY. But you understood that the money was coming to him personally, that it was his money and that he was, in turn, giving it to you?

Mr. NELSON. No; I did not.

Mr. KENNEDY. You thought it was coming directly from the union to you and was being charged to you?

Mr. NELSON. That is right. No, I thought it was being charged to the miscellaneous organizing expense.

Mr. KENNEDY. If this was funds that you were spending, why did you not arrange just to have a check made out to you of \$35 a week?

Mr. NELSON. Because of the question involved, I was questioned by the international union on the check that was written previously to me on the organizing expense.

Mr. KENNEDY. I did not understand that.

Mr. NELSON. I had a check written to me prior to that time, of \$150, which I had spent.

Mr. KENNEDY. Let us go back to the question. Why did you not just receive the \$35 a week by check from the union?

Mr. NELSON. I figured that it was included in the organizing checks that were drawn up previously.

(At this point, Senator Ervin entered the hearing room.)

Mr. KENNEDY. To go back to the original question, did you receive \$35 a week for 8 weeks, or approximately 8 to 12 weeks, from Barclay?

Mr. NELSON. From who?

Mr. KENNEDY. From Barclay.

Mr. NELSON. He turned over \$35 a week to me.

Mr. KENNEDY. In cash?

Mr. NELSON. In cash; yes.

Mr. KENNEDY. Did you understand that that was money that came from a check that was made out to him?

Mr. NELSON. No, I did not.

Mr. KENNEDY. You did not?

Mr. NELSON. No.

Mr. KENNEDY. There was never any discussion about that?

Mr. NELSON. No.

The CHAIRMAN. Where did you think it came from?

Mr. NELSON. I thought it came from the organizing checks that were drawn up in sum total, from the slips and vouchers and expenses that everybody else had turned in on the strike—on the expenses that they had incurred.

The CHAIRMAN. Where did you think the money came from? You got it in cash.

(At this point, Senator Goldwater withdrew from the hearing room.)

Mr. NELSON. From those—maybe I better explain it this way.

The CHAIRMAN. You maybe better some way.

Mr. NELSON. The expenses that the various peoples, members and business agents, used and spent on the picket line regarding organizing, sometimes they were paid out of petty cash, sometimes they were paid by—well, I don't know just exactly how they were paid, because Barclay took care of that.

Now, the situation was this: When we came to a sum total, a check was drawn up, made out to cash, which was an organizing expense and that is where I figured that my \$35 was coming from.

The CHAIRMAN. You were assistant trustee, were you not?

Mr. NELSON. That is right. I was busy on the picket line.

The CHAIRMAN. I do not care where you were busy. You are supposed to know where it is coming from.

Mr. NELSON. That is right. That is where I figured it was coming from. That is why I relieved Barclay—

The CHAIRMAN. Just a moment. Would you not be interested in knowing where your money was coming from, in that position?

Mr. NELSON. Well, yes. I figured that it was coming out of those checks that were drawn.

The CHAIRMAN. How about this \$40,000? Was it all spent in cash, organizing expenses?

Mr. NELSON. Yes.

The CHAIRMAN. All spent in cash?

Mr. NELSON. Yes.

The CHAIRMAN. Is that a good system of business management?

Mr. NELSON. I do not know whether it is a good system of business management. I do know this: It was convenient for the pickets. We paid those pickets on the picket line, or we either paid them at the meeting. Prior to the first of the year of 1956, they were paid at meetings and they were paid by Al Barclay. After that they were paid on the picket line and I never paid one of them myself.

The CHAIRMAN. You do agree that that system of paying in cash and taking receipts, and in the manner in which you did it, does permit anyone who may desire and who was in a position such as you occupied and others at the head of it, to pad the thing and take cash for themselves, rather than to spend it for the purposes that it is recorded. You know that, do you not?

Mr. NELSON. I say this, that those members—

The CHAIRMAN. I am not talking about those members. I am talking about you and the management now, you officers.

Mr. NELSON. I did not make the payoffs to the members.

The CHAIRMAN. I did not ask you who you made payoffs to. I said that system does permit you to do it, does it not?

Mr. NELSON. It wouldn't permit me to do it, because I didn't do it.

The CHAIRMAN. You did not do it, you say, but the opportunity is there when you handle that much cash in that fashion, is it not? It is not good business management and it is not a good way to take care of the \$40,000 trustee fund, is it?

(The witness conferred with his counsel.)

Mr. NELSON. I might say this: First of all, the moneys was paid out on a Friday.

The CHAIRMAN. On a what?

Mr. NELSON. On a Friday of each week. We obtained the list from the picket line on Friday morning.

The CHAIRMAN. How many would be on the picket line? Give me some estimate of it.

Mr. NELSON. We run a picket line 24 hours a day, and the picket line would vary.

The CHAIRMAN. All right, how many?

Mr. NELSON. At the first we had approximately 70 people on the picket line. The first week of the strike, we paid each one of them \$25, I believe. Starting the second week, we gave every picket \$55 a week, but there wasn't as many the second week because we started providing jobs for those people that we could obtain jobs for.

We paid the pickets in accordance to how many days they were on the picket line. Sometimes we would get them a job and maybe the job would not last.

At first, we were giving them \$55 a week for 7 days' picketing. Then we give them a day off. But we paid the pickets on Friday and on sometimes we paid them on Saturday if we held a meeting.

The CHAIRMAN. I do not see any difference in whether you paid them on Friday or Monday at noon, insofar as it affects the system you used.

Mr. NELSON. Because we would draw a check on Friday at the bank, for cash, and we would then put the money in envelopes and then we would have somebody pay the pickets. That was after January 1.

The CHAIRMAN. Actually, and you know it to be a fact, you could have written a check quicker than you could have done all of that, for each one of them, could you not?

Mr. NELSON. No.

The CHAIRMAN. Of course you could, and kept a record of it.

Senator CURTIS. You say that this \$35, you thought, was coming out of the miscellaneous organizational funds; is that right?

Mr. NELSON. Yes.

Senator CURTIS. Could anyone draw funds out of there without submitting a voucher?

Mr. NELSON. Vouchers or slips were submitted at all times.

Senator CURTIS. But you did not submit any voucher or slip for this \$35?

Mr. NELSON. I told Al Barclay that that is what it was costing me, and he did give me the \$35. I did not give him a voucher every week.

(At this point, Senator McClellan withdrew from the hearing room.)

Senator CURTIS. And you knew he put in vouchers?

Mr. NELSON. For what?

Senator CURTIS. For this \$35.

Mr. NELSON. No, I don't. First, I might explain we do not have, or the local union never did before I was there, or it still don't have a voucher system.

Senator CURTIS. But as assistant trustee, you were in charge of all of it, were you not?

Mr. NELSON. That is right.

Senator CURTIS. Responsible for all the assets?

Mr. NELSON. That is right. I might point out that since I have been there we have put back into the treasury more than \$35,000 than what we started with.

Senator CURTIS. But the fact remains, \$35 a week was coming out of the fund to you and no proper entry shown that it was coming to you, is that correct?

Mr. NELSON. To my recollection, and what I thought, it was that it was going to be—it was an organizing expense, and I figured that that is where it was coming out of. I did not know it was coming from Barclay.

Senator CURTIS. But you arranged to have it done once on the \$150 item and that was objected to, did you not?

Mr. NELSON. That is right. I told——

Senator CURTIS. So this was to meet that objection?

Mr. NELSON. No.

I told some of the international officers that I had done it, and they said that it didn't look right. I don't recall who I talked to. They told me that if I was spending money on the picket line, that it should be a local union expense, and it should come out of the miscellaneous account. That is where I thought it was coming.

Mr. KENNEDY. You thought it was coming from the miscellaneous account, is that right?

Mr. NELSON. Yes.

Mr. KENNEDY. And you never knew that it was a check made out to Barclay?

Mr. NELSON. No.

Mr. KENNEDY. I would like to read you your testimony. You are not telling the truth now, or you were not telling the truth when you testified or made statements before your board.

I will read you the testimony on page 506. A question by Mr. Nelson:

You will recall the \$35 you mentioned was a check made out to you and it was cashed.

The answer by Mr. Barclay: "Yes."

By you:

And the money was given to me in an envelope?

Answer. Right, sir.

Question. That was voluntary on your part, is that right?

Answer: That is right, sir.

Senator CURTIS. Who is asking the questions?

Mr. KENNEDY. The questioning is by Mr. Nelson.

He starts with a statement:

You will recall the \$35 that you mentioned was a check made out to you and it was cashed.

And the answer was "Yes, sir."

Then you go on to say:

Isn't it true that the reasons for that was that there were some expenses, miscellaneous expenses, that couldn't be accounted for, that that money was used for that?

Those are statements by you, Mr. Nelson.

(The witness conferred with his counsel.)

Mr. NELSON. The answer to that is this: I told you earlier that I had found out that prior to the release of Barclay, that he was doing that, and I told you that it happened around the holidays. I believe that is my statement, if you will check back on the record.

(At this point, Senator McClellan entered the hearing room.)

Mr. NELSON. He did hand me an envelope. He handed me an envelope in the presence of two people. I did not know what was in the envelope at the time he handed it to me. I was in the business agent's room, talking to the business agents.

Mr. KENNEDY. Let us not go through all that again.

Mr. NELSON. He went in there, handed me an envelope; I stuck it in my pocket.

He had two people standing there and watched me stick the envelope in my pocket.

Mr. KENNEDY. That is correct.

Mr. NELSON. I looked at it later, and it was the \$35.

Mr. KENNEDY. Yes?

Mr. NELSON. It was the \$35. And he made it appear to other people that it was a hush-hush situation.

Mr. KENNEDY. That is not the question. You stated under oath before the committee that this was an organizing expense.

"I did not know it was coming from Barclay," and you also stated that you did not know—

Mr. NELSON. I did not know it was coming from his personal account. I did not know it was coming from his weekly expenses.

Mr. KENNEDY. You state here, "You will recall the \$35 that you mentioned was a check made out to you and it was cashed," speaking to Barclay. That it was a check made out to him, it was cashed and then turned over to you for miscellaneous expenses.

Mr. NELSON. If that says that in the transcript, it is not true.

Mr. KENNEDY. That is what you said. I didn't say it.

Mr. NELSON. I said if it says that.

Mr. KENNEDY. At least, it is different—

Mr. NELSON. What hearing is that?

Mr. KENNEDY. Page 506, volume 2, June 13, 1956.

One of the two is true. You are not truthful now or you were not truthful in June of 1956.

I can hand you this.

Mr. NELSON. I have it.

Mr. KENNEDY. It starts on the bottom of page 506.

(The witness conferred with his counsel.)

The CHAIRMAN. Shall we proceed?

Mr. NELSON. You will have to repeat that question.

Mr. KENNEDY. I didn't have a question.

Mr. NELSON. Well, I can explain this. I told you before that I received \$35 per week for approximately—I don't know—7 or 8 weeks. At the time that I found out about where the money was coming from, which I said was some time around the holiday season, that was the time we were talking about, or I was talking about, in the transcript. No mention was made of the holiday season, but I was bringing out a point in the transcript or during that hearing

that, yes, I knew that that \$35 came from that check, and then I was pointing out to him that it was voluntary on his part, and he said "Yes."

Mr. KENNEDY. So now your testimony before the committee is that you knew that the money was in a check made out to him, and that he, in turn, was giving it to you?

Mr. NELSON. I knew it prior to the time, I think about 2 weeks before, he was released from the local union.

Mr. KENNEDY. Well, you continued to do that.

Mr. NELSON. It was continued for another week.

Mr. KENNEDY. It was continued——

Mr. NELSON. To the best of my knowledge.

Mr. KENNEDY. Certainly there is no such message here in your testimony.

It is just "You will recall the \$35 that you mentioned was a check made out to you and it was cashed and the money was given to me in an envelope."

Mr. NELSON. That is right.

Mr. KENNEDY. That seems to be the procedure that was followed.

Anyway, Mr. Nelson, Mr. Barclay also testified about a \$75 payment that was paid to a woman "organizer," and I will quote organizer. He states that this money was delivered to Kay Lower. Can you tell us anything about that?

Mr. NELSON. Yes, I can.

Mr. KENNEDY. Is that testimony of Mr. Barclay accurate?

Mr. NELSON. No, it is not.

Mr. KENNEDY. The money did not go to Kay Lower?

Mr. NELSON. Let me explain it in this manner——

Mr. KENNEDY. Did any of the money——

Mr. NELSON. Part of the money went to Kay Lower.

Mr. KENNEDY. Do you know Kay Lower?

Mr. NELSON. Yes.

Mr. KENNEDY. And what arrangements were made for her to receive this money?

(The witness conferred with his counsel.)

Mr. NELSON. I first met Kay Lower sometime in October when I was in Portland, Oreg., attending the Pacific coast conference of the bakery and confectionery workers. I was sitting in the cocktail lounge of a hotel having a drink with James Cross and George Stuart.

The woman walked in and she was introduced to me. She sat down and had a drink, and we continued our discussions.

We were at that time discussing the organizing situation in southern California regarding Van de Kamp's.

The CHAIRMAN. Regarding what?

Mr. NELSON. Van de Kamp's Bakery. We were discussing the organizing staff working for the international union. I was told then that the organizing staff working in southern California for the international union was going to be eliminated. We held quite a discussion on this.

I told Cross and Stuart that in the time that I had been down there that I did not think that Al Bryan and Al Meyer were to blame for the organizing drive being bogged down, that it was Virge Bryan's fault.

While Kay Lower was there she did not participate in any of the discussions. I do not even remember whether she was introduced to me as Kay Lower.

The CHAIRMAN. As what?

Mr. NELSON. As Kay Lower. That was her name.

The CHAIRMAN. What name was it?

Mr. NELSON. I do not recall. It could have been Kay Lower.

(The witness conferred with his counsel.)

Mr. KENNEDY. So you were having a number of your organizers taken from you for the Van de Kamp organization, to organize their shop?

Mr. NELSON. To organize that plant.

Mr. KENNEDY. So then it was suggested at that time that you take on Kay Lower?

Mr. NELSON. No. That is the last time I saw Kay Lower—

Mr. KENNEDY. You saw her up in Portland. Are you still talking about that?

Mr. NELSON. I am still talking about Portland.

Mr. KENNEDY. All right.

Mr. NELSON. When we left Portland, I immediately met George Stuart, upon my arrival; I met him at the union office. He arrived ahead of me in Los Angeles. He called into the office Virg Bryan and fired him; he called in Al Meyer and fired him, and he called in Al Bryan, and he was also fired.

I then talked to Bryan and Meyer later on—I believe it was the next day or so—and had them start working for the local union as organizers, and we were going to take on Van de Kamp on the local level. In other words, the international union was not going to become involved at that particular time.

That was our discussions.

During the time that George Stuart was in Los Angeles at that time, they had also had—the organizers had been working on Golden Crust Bakery. This is a bakery that the local union had spent, prior to my time, some over \$60,000 on and had had them on strike at one time for a period of approximately 21 months, to the best of my recollection of what has been told to me by the other officials and the international vice president in that area.

I was told by George Stuart to call a meeting of those people, take a strike vote. And, if they wanted to strike, go ahead and strike them. If they didn't, forget about it and go to work on Van de Kamp's.

I called a meeting of the workers—

Mr. KENNEDY. Mr. Nelson, I do not want to have every detail of everything that happened during this period of time. We asked about the \$75.

Mr. NELSON. It leads up to the point of the question you were asking me about Kay Lower.

Mr. KENNEDY. Actually, just give a summary statement that you had trouble with such-and-such a bakery and you needed help.

Mr. NELSON. Golden Crust figures into this investigation also.

Mr. KENNEDY. Excuse me?

Mr. NELSON. Golden Crust figures into this investigation also, and I thought you would give me the reasons and so forth.

Mr. KENNEDY. I want you to give every pertinent fact, but I do not think we have to have every detail.

Mr. NELSON. I called a meeting of the people on Saturday afternoon, October 22. They voted to strike, and we struck the plant that night.

The strike was very successful for the first 2 weeks. However, we were all busy.

After that, I had the two organizers that I had originally wanted to use on Van de Kamp busy with Golden Crust. We did want to maintain a contact or compile a list of names with the Van de Kamp people.

Sometime early in November, George Stuart was in town. We discussed the situation and he suggested to me the use of Kay Lower to obtain names, and so forth, on Van de Kamp.

Mr. KENNEDY. How was she going to obtain names?

Mr. NELSON. I do not know. I imagine the same way any other organizer of the union would obtain names and addresses of people working in plants that are not organized.

After that particular time, I was also told, then, to put in a request to the international union for assistance in the organizing of Van de Kamp's Bakery. I sent a letter to the international union.

I received an answer on it some time in December, stating that the payments of the money would be retroactive to November 22.

Mr. KENNEDY. How much money were you requesting?

Mr. NELSON. I don't recall whether I requested a specific amount. I could have. I don't have the copies of the letters, but I did get a communication back, and it would be \$75 per week.

Mr. KENNEDY. Was this request in order to pay this woman organizer?

Mr. NELSON. It was not determined at that time whether we would pay the salary or whether we would pay it in the form of expenses.

Mr. KENNEDY. Do you mean the local or the international? The international to pay it by salary or expenses?

Mr. NELSON. I don't believe the international was concerned as to how—I mean, the money had to be entered into the local union books as being received. Any moneys received by a local union——

Mr. KENNEDY. From the international?

Mr. NELSON. From any source. Has to be entered on the day sheets.

Mr. KENNEDY. So you were asking for the appropriation?

Mr. NELSON. I asked for the appropriation.

Mr. KENNEDY. And that was so that the local could then disburse it to her either by expenses or salary? That had not been determined?

Mr. NELSON. It had not been determined whether or not she would get the full \$75 or what.

Mr. KENNEDY. Who was the one that determined that she should get paid \$75?

Mr. NELSON. There was no determination what she would get.

Mr. KENNEDY. Why did you ask for that amount? How did you arrive at that figure?

Mr. NELSON. Like I said before, I don't recall requesting for a specific amount.

Mr. KENNEDY. I understand that.

Mr. NELSON. If the proposition to the board, to the executive board, was for \$75, then that is how the figure of \$75 came up.

Mr. KENNEDY. Did you have a discussion with Cross or Stuart or both about how she would be paid?

Mr. NELSON. Yes.

Mr. KENNEDY. With whom?

Mr. NELSON. I discussed the matter with Cross and Stuart both, either in person or by telephone.

Mr. KENNEDY. And the question was whether she was to receive just expenses or whether she would receive salary? Was that the question?

Mr. NELSON. No. The question in my mind arose as to the paying of \$75 per week for the obtaining of names and addresses. I did not know, or I did not think that \$75 per week would be the right kind of sum for the providing of names and addresses.

Mr. KENNEDY. How much did you think should be spent for that type of work?

Mr. NELSON. I had no figure in my mind.

Mr. KENNEDY. How much money—

The CHAIRMAN. Did you think it was too much or too little? You had something in mind.

Mr. NELSON. I figured it was too much to pay for names and addresses.

Mr. KENNEDY. Do you have many women organizers working for you?

Mr. NELSON. Now?

Mr. KENNEDY. Have you had women organizers?

Mr. NELSON. Do you mean previous to this?

Mr. KENNEDY. Yes.

Mr. NELSON. Not for me; no. I have never had that experience before.

Senator CURTIS. I want to ask you something about these names and addresses. These were workers who did not belong to the union as of that time?

Mr. NELSON. That is right.

Senator CURTIS. About how many workers were there in the Golden Crust Bakery?

Mr. NELSON. We are talking about the Van de Kamp Bakery.

Senator CURTIS. All right. How many were in there?

Mr. NELSON. We have since organized the plant, and I believe there are between 800 and 900. We haven't got the total figure as yet.

Senator CURTIS. Did you have a strike at Van de Kamp's?

Mr. NELSON. On this drive, we did not have a strike at Van de Kamp, but I understand that previously there was a strike at Van de Kamp, in 1947, for a period of, I believe, 28 months, 27 or 28 months. There was a strike at Van de Kamp.

Senator CURTIS. They weren't organized?

Mr. NELSON. They are now, but they weren't up until just recently.

Senator CURTIS. Who conducted the strike?

Mr. NELSON. Previously?

Senator CURTIS. Yes.

Mr. NELSON. Archie Goodman.

Senator CURTIS. I mean what union.

Mr. NELSON. It is a combination of the bakery and confectionery workers, I believe the teamsters, and the retail clerks.

Senator CURTIS. I want to ask you something about this Golden Crust activity.

During all the time the pickets were out there, did you have a majority of the workers signed up in your union?

Mr. NELSON. Yes.

Senator CURTIS. But you were not recognized as a bargaining agent?

Mr. NELSON. No.

Senator CURTIS. Did you seek an election?

Mr. NELSON. No.

Senator CURTIS. You threw the pickets around over these months and did not seek an election to be recognized as a bargaining agent?

Mr. NELSON. I might say this, that in the history of the bakers local 37 in Los Angeles, Calif., I do not know of any election that has ever been held for the representation election up until just recently. Recently we held an election at Nixon's Bakery, in Whittier, Calif., and we won that election. It was a State conducted—no. We held an election a year ago and lost the election. This year we won the plant by the Nixon family recognizing the union.

Senator CURTIS. These where you win without an election, how do you bring it about?

Mr. NELSON. By the signing up of the members in the plant and going to the employer and showing them that we have the people in the union.

Senator CURTIS. What are the pickets for, if that is the procedure?

Mr. NELSON. The employer refused to recognize the union as the bargaining agent for the workers. I might point out that this company was very—

Senator CURTIS. Which company?

Mr. NELSON. Was very antiunion.

Senator CURTIS. Which company?

Mr. NELSON. Golden Crust. The local union previously had conducted a strike there for some 21 months, I believe, and had spent in the neighborhood of \$60,000 to \$85,000 on that.

Senator CURTIS. How many members did they have while they were doing all that?

Mr. NELSON. I was not even in the area at the time, so I could not tell you.

Senator CURTIS. They did not have a majority?

Mr. NELSON. At that time?

Senator CURTIS. Yes.

Mr. NELSON. I do not know.

Senator CURTIS. You do not think so?

Mr. NELSON. I do not know.

Mr. KENNEDY. Finally, what arrangements were made as far as the payment of Kay Lower?

Mr. NELSON. What is this?

Mr. KENNEDY. What I am asking you is what arrangements were ultimately made as far as the payment of Kay Lower?

Mr. NELSON. In my discussions with Cross and Stuart, after we finally arrived that there would not be a salary, that it would be expenses, I was told to pay her on the basis of what she had done.

Mr. KENNEDY. So did you do that?

Mr. NELSON. Yes, I did.

Mr. KENNEDY. How much did you pay her?

Mr. NELSON. Do you mean the sum total?

Mr. KENNEDY. Yes.

Mr. NELSON. I cannot actually say what the sum total is.

I can say this—any figure that I would give you would be purely a guess. The money that I gave to her came out of the \$1,500 that was sent to me, or sent to the local, by the international. I can't say how much she did get. Any figure that I would give would be a guess, purely a guess.

Mr. KENNEDY. In what sums did you give it to her?

Mr. NELSON. I gave it to her in sums of \$50. I gave her hers in sums of \$100, and I think \$75. There was no set sum.

Mr. KENNEDY. During this period of time, she was doing work for the union?

Mr. NELSON. I did not check on her, whether or not she was doing any work for the union.

Mr. KENNEDY. You said you were paying her.

Mr. NELSON. She called in and would give me names and addresses, and I figured that she was working.

Mr. KENNEDY. How many names and addresses did she finally give you?

Mr. NELSON. That is another figure. That is over a year ago, or just about a year ago. At the beginning it would be over a year and a half ago. Well, it would be since around the first of the year of 1956.

Mr. KENNEDY. How many names did she give you?

Mr. NELSON. Again, it would be a guess, but I would say around—you asked me earlier, before we came in. I said 50. I said not over 50. I don't know. These names, however, I did turn over to Al Meyer; he started out to be an organizer and I later appointed him as financial secretary.

Mr. KENNEDY. The \$1,500, how much do you think you gave her? (The witness conferred with his counsel.)

Mr. KENNEDY. Did you keep some records on it, Mr. Nelson?

(The witness conferred with his counsel.)

Mr. NELSON. Did I keep records on this?

Mr. KENNEDY. Yes.

Mr. NELSON. Yes. We kept records on everything.

Mr. KENNEDY. What happened to those records?

Mr. NELSON. Last summer, 1956—

(The witness conferred with his counsel.)

Mr. KENNEDY. You know what we could do, Mr. Nelson, answer the question, and then if you want to go on, give any speech or talk you want to give.

Have you got those records?

Mr. NELSON. Are you asking me of records of the payments that I made to her?

Mr. KENNEDY. Yes.

Mr. NELSON. No; I don't have the records of those payments I made to her.

Mr. KENNEDY. Did you keep records on the payments that you made to her?

Mr. NELSON. No; I did not keep records of payments that I made to her.

Mr. KENNEDY. But you——

Mr. NELSON. I thought you were talking in regards to the organizing of Golden Crust and, subsequently, Van de Kamp's.

Mr. KENNEDY. Can you determine at all how much money you gave to her? You received \$1,500 from the International Union to give to her. How much of that did you actually give to her?

(The witness conferred with his counsel.)

Mr. NELSON. I might say this: In my discussions with Stuart and Cross, I was told that the balance of the \$75 to use on the picket lines.

Mr. KENNEDY. How much money did you give to her?

Mr. NELSON. Any figure that I would give would be purely a guess.

Mr. KENNEDY. Right. How much do you guess that you gave her? Is your guess just the same as my guess? I mean, is it based on anything?

Mr. NELSON. I don't know. It would be anywhere from \$900 to \$1,100, I would imagine. I don't know.

The CHAIRMAN. Let me ask you a question or two.

What is the number of this local? No. 37?

Mr. NELSON. Local No. 37.

The CHAIRMAN. Was it during that time in trusteeship?

Mr. NELSON. Yes.

The CHAIRMAN. Is it still in trusteeship?

Mr. NELSON. Yes.

The CHAIRMAN. Were you the assistant trustee at that time?

Mr. NELSON. Yes.

The CHAIRMAN. Who was the trustee?

Mr. NELSON. Lester Crawford.

The CHAIRMAN. Was he there at the time, or was he away and you managed it?

Mr. NELSON. He was in Washington, D. C., I believe.

The CHAIRMAN. He wasn't around there to look after anything? You were completely in charge so far as the trusteeship is concerned; is that correct?

Mr. NELSON. I was in charge, and I had discussions——

The CHAIRMAN. Did he ever come out there while you were there?

Mr. NELSON. Yes.

The CHAIRMAN. How many times?

Mr. NELSON. He has been out there quite a few times. I don't know the exact——

The CHAIRMAN. For all practical purposes, you were the trustee for all local affairs, were you not, except for such orders as you would receive from him in Washington?

Mr. NELSON. That is right.

The CHAIRMAN. For all practical purposes, you were the resident trustee?

Mr. NELSON. That is right.

The CHAIRMAN. And you still are?

Mr. NELSON. Yes.

The CHAIRMAN. You say you kept records?

Mr. NELSON. Yes.

The CHAIRMAN. But you kept no record of your transactions with this Kay Lower?

Mr. NELSON. I kept no records of that with her. I kept records of the Golden Crust strike.

The CHAIRMAN. Why did you not keep records of what you paid her for expenses?

Mr. NELSON. That money was kept separate, and I had spent some of that money myself on the picket line at Golden Crust.

The CHAIRMAN. Have you got a record to show how much you spent on yourself on the picket line and how much you spent on her?

Mr. NELSON. No.

The CHAIRMAN. Why didn't you keep such a record?

Mr. NELSON. I didn't think it was necessary.

The CHAIRMAN. Don't you think the men who pay the dues into the union are entitled to know?

Mr. NELSON. I kept a record of the Golden Crust strike as it pertained to the local funds.

The CHAIRMAN. Did you keep a record of what you paid each man on the picket line?

Mr. NELSON. Yes.

The CHAIRMAN. Why didn't you keep a record of what you paid her for work or for expenses? Why would that not be just a legitimate record and just as proper to keep and just as necessary to keep as it would be to pay somebody to walk a picket line? Exactly what kind of finagling was going on?

Mr. NELSON. To my knowledge, there was no finagling going on.

The CHAIRMAN. Well, the funds were finagled. We cannot get any sense out of them. You do not know what you gave her, or what you gave yourself, or what you spent. You made no record of it.

Mr. NELSON. I did not keep any for myself.

The CHAIRMAN. Where are the records for this local?

Mr. NELSON. Mr. Kopecky has taken some. We have the ledgers and so forth.

The CHAIRMAN. Does that show what you spent in the strike and whom you paid it to?

Mr. NELSON. In general; yes.

The CHAIRMAN. Where are the records that you kept of that \$40,000 which you spent in the strike, or more?

(The witness conferred with his counsel.)

Mr. NELSON. We do not—we have the checks and the canceled checks.

The CHAIRMAN. You have a check——

Mr. NELSON. But we do not have the receipts.

The CHAIRMAN. All right. The point I am making is this. You got a check where, at the end of the week, you went out and cashed a check for \$2,000 or \$1,500 or something, you have that canceled check showing that you cashed it?

Mr. NELSON. That is right.

The CHAIRMAN. But you have no accounting of the cash that you paid out?

Mr. NELSON. That is right. I might say this——

(The witness conferred with his counsel.)

Mr. NELSON. We have some supporting documents here with us.

The CHAIRMAN. Where are the rest of them? You say you have some. Where are the rest?

Mr. NELSON. We don't have—in the supporting documents that we have with us, they are not receipts. They are worksheets. I might say this again—

The CHAIRMAN. There is a whole lot of difference between a worksheet and a receipt.

Mr. NELSON. That is right.

The CHAIRMAN. A receipt gives the identity of the person who received the money and usually their signature acknowledging receipt of it, but a worksheet can be made up in any form that the party making it up wants to make it up, is that not correct?

Mr. NELSON. That is correct. But you haven't given me the opportunity to explain what happened to the receipts.

The CHAIRMAN. All right. Tell us what happened to them.

Mr. NELSON. In the summer of 1956, last year, we were in process of cleaning up our building, building new offices for our health and welfare and pension.

We started in the back of the building first. That is the old, old records that dated back to 1890 some of them. We were also being pressed by our office girls for a lunchroom. That room was completely cleared out and everything in there was thrown out.

The CHAIRMAN. Your records went back how far?

Mr. NELSON. Back to 1890. That was in the summer months we started that. When we got to the front part of the building, in the process of clearing up the old records, the more recent ones, back, I would say, 15 or 20 years, the financial secretary, Albert Meyer, talked to the international vice president, Archie Goodman, and asked him just what we had to save. He was told to save the minutes from the very beginning of the local up to the present time.

He was told to save the daybook records for 7 years. That shows the receipts and the itemized disbursements. He was also told to save the financial reports to the international union dated back 4 years.

He was told to save bank statements and canceled checks back 4 years; that everything else could go.

The CHAIRMAN. Do you know he was told that or is that hearsay?

Mr. NELSON. That is what was told to me by Meyer.

The CHAIRMAN. By whom?

Mr. NELSON. By Al Meyer.

The CHAIRMAN. Were you in charge?

Mr. NELSON. I was in charge. Let me go a little further.

The CHAIRMAN. Would you not naturally get the orders about that instead of him?

Mr. NELSON. Let me go a little further.

The CHAIRMAN. All right.

Mr. NELSON. We were housecleaning from the summer through the fall. On, I believe, it was November 17, Meyer and I were working late in the afternoon in this one particular closet, throwing out the old records. Archie Goodman and Dan Conway came into the building. Archie Goodman went back to use the telephone in the business agent's room and Dan stood there and was watching us.

At that time—and Dan Conway is the administrative director of the international union. At that time, I told him what we were doing, that we were saving the day sheets for 7 years, financial reports and

canceled checks and bank statements for 4 years, and he said, "That's fine." He said, "You are saving also the minutes back to the beginning?" And I said, "Yes, naturally."

The CHAIRMAN. Who was it that told you that?

Mr. NELSON. Daniel Conway.

The CHAIRMAN. Who is he?

Mr. NELSON. Administrative director of the international union.

The CHAIRMAN. I believe you said something about Mr. Goodman being there.

Mr. NELSON. I said Archie Goodman was in using the telephone.

The CHAIRMAN. He was in using the telephone while you were talking to this other fellow?

Mr. NELSON. That's right. That is why the records were—that is why the receipts and all of the old records were thrown away and that included the records on the Golden Crust strike. The strike was over, the contract had been signed, the people are members of the union, and we saw no need to keep them.

The CHAIRMAN. I thought you said that Archie Goodman first gave you instructions.

Mr. NELSON. He gave those instructions to Al Meyer. In fact, he even told Al Meyer at the time he would help him.

The CHAIRMAN. He would actually help him do it; is that correct?

Mr. NELSON. Yes.

The CHAIRMAN. Will you listen while I read a letter?

Mr. NELSON. That is right.

The CHAIRMAN. It is on Bakers and Confectionery Workers International Union of America stationery. It is dated June 2, 1957, and is addressed, "Senate Select Committee on Improper Activities in the Labor or Management Field, United States Senate Office Building, Room 160, Washington, D. C."

I am furnishing this statement to you as Senate Select Committee on Improper Activities in the Labor or Management Field at the request of Mr. George Kopecky, to be used in any manner they see fit.

I have no authority as international vice president and representative to instruct, order, or advise any local officers to destroy any books, records of bills, receipts, and documents supporting cash or check disbursements from local 37 funds, nor have I ever given any such instructions, advice, or orders to any official of local 37 to do so.

I did not give any instructions to any official of local 37 to destroy any records of bills, receipts, or any documents supporting any cash or check disbursements from local 37 funds for the Golden Crust Bakery strike during October 1955 to May 26, 1956."

This is signed, "Archie Goodman, international vice president." What do you want to say about that?

Mr. NELSON. All I can say is that, relying upon my secretary, whose word I believe more than Archie Goodman's word—and I might say this: I am a little suspicious of the intent that he had at the time that he told our secretary, because it is now reflecting back on us.

The CHAIRMAN. So you challenge the vice president of the international?

Mr. NELSON. I challenge his statement.

The CHAIRMAN. That is a matter you folks can settle between you very well.

Proceed.

Mr. KENNEDY. We have one other witness that I would like to get finished with this afternoon.

Mr. Nelson, you paid Kay Lower approximately \$20 for each name that she was able to furnish to you; is that right?

Mr. NELSON. I couldn't say on that.

Mr. KENNEDY. She furnished you approximately 50 names and there was approximately \$1,000 that you paid her?

Mr. NELSON. If that is the way you want to figure it.

Mr. KENNEDY. Is that the going price in your union?

Mr. NELSON. We have never paid anybody so much per name.

Mr. KENNEDY. You have never done that in the past. Now, let me ask you one other thing: In addition to that money, she was also furnished an automobile, was she, for her use?

Mr. NELSON. We had two extra automobiles——

Mr. KENNEDY. Just answer the question and then you can go on.

Mr. NELSON. We had two extra automobiles for any use for the business agents and she was given use of a car.

Mr. KENNEDY. Were there union funds used on any occasion to purchase a gift for Mr. George Stuart—to purchase any gifts for George Stuart?

Mr. NELSON. Not to my knowledge.

Mr. KENNEDY. Were there union funds used on any occasion to purchase a gift or a present for Mr. James Cross?

Mr. NELSON. Not to my knowledge.

Mr. KENNEDY. Were there union funds used on any occasion to purchase a gift for Kay Lower?

Mr. NELSON. Not to my knowledge.

Mr. KENNEDY. All right.

Senator CURTIS. Mr. Chairman.

The CHAIRMAN. Senator Curtis?

Senator CURTIS. Who purchased the gasoline and paid the other expenses of that car of Kay Lower's?

Mr. NELSON. I don't know.

Senator CURTIS. Do you know whether any union funds paid any of it?

Mr. NELSON. I don't know.

Senator CURTIS. How did they pay the expenses of the other car?

Mr. NELSON. With our business agents?

Senator CURTIS. Yes.

Mr. NELSON. With business agents on the local payroll, they are paid 7 cents a mile. My gas is furnished to me and oil is furnished to me, by the international union.

Senator CURTIS. Do you know Mr. Frank Gardone?

Mr. NELSON. Yes, I know Frank Gardone.

Senator CURTIS. Where did you first meet him?

Mr. NELSON. I believe that was in Seattle.

Senator CURTIS. What year?

Mr. NELSON. I believe it would be in 1953.

Senator CURTIS. Have you seen him a number of times since then?

Mr. NELSON. Yes.

Senator CURTIS. What other cities have you seen him in?

Mr. NELSON. In Washington, D. C., Chicago—yes, Chicago, Los Angeles. I believe that is all.

Senator CURTIS. How old a man is he?

Mr. NELSON. I don't know.

Senator CURTIS. Have you any idea? Is he 75 or 35?

Mr. NELSON. I would say he is in his thirties. I don't know.

Senator CURTIS. How big a man is he?

Mr. NELSON. He is a little taller than I am.

Senator CURTIS. How tall are you?

Mr. NELSON. Five feet, eleven.

Senator CURTIS. How much does he weigh?

Mr. NELSON. I don't know.

Senator CURTIS. Does he have any job in the international union?

Mr. NELSON. He is a special organizer.

Senator CURTIS. What are his duties?

Mr. NELSON. I don't know what his duties are. I don't give him the assignments.

Senator CURTIS. Did you ever pay him?

Mr. NELSON. Did I ever pay him?

Senator CURTIS. Yes.

Mr. NELSON. He receives his pay from the international union.

Senator CURTIS. Did you ever give it to him?

Mr. NELSON. No.

Senator CURTIS. Have you ever given him any money?

Mr. NELSON. I have loaned him money out of my pocket.

Senator CURTIS. Have you paid him any expenses?

Mr. NELSON. Not to my knowledge.

Senator CURTIS. How was he paid by the international union, do you know?

Mr. NELSON. The same as I am, by the week.

Senator CURTIS. By check?

Mr. NELSON. By check.

Senator CURTIS. What do you know about this beating up of this 14-year-old boy?

Mr. NELSON. I was called, two detectives called on my office, I believe it was on a Monday morning. I was in a hearing with the NLRB. I called the office at noon recess and asked if I had any calls.

They told me that a Lieutenant or a Sergeant Tzarsky and Sergeant Baker had called and wanted to talk to me and they give me a phone call to call them.

I called them and they told me about a beating or a fight.

Senator CURTIS. Let me ask you this: Did you get any information that there was a beating of this 14-year-old boy from anybody other than the police?

Mr. NELSON. I was called at the hotel——

Senator CURTIS. Just say whether or not you got any information from anybody besides the police that there was a beating of a 14-year-old boy.

Mr. NELSON. Yes.

Senator CURTIS. From whom?

Mr. NELSON. Al Meyer.

Senator CURTIS. Who else?

Mr. NELSON. I can't recall.

Senator CURTIS. Who did Al Meyer tell you did the beating?

Mr. NELSON. Al Meyer called me on the phone——

Senator CURTIS. No. Who did he say did the beating?

Mr. NELSON. He did not know.

Senator CURTIS. Was Frank Gardone in Los Angeles at the time?

Mr. NELSON. I don't know. You would have to check his weekly reports whether or not he was there at that time. He was in and out of town quite frequently.

Senator CURTIS. Do you know this man Kinney?

Mr. NELSON. Vince Kinney that Barclay talked about?

Senator CURTIS. Yes.

Mr. NELSON. Yes.

Senator CURTIS. How long have you known him?

Mr. NELSON. He is a member of the local 37 and he works for the Langendorf Bakery. I did not know him personally until sometime in March 1956.

Senator CURTIS. Did you ever hear of the names of Kinney and Gardone mixed up with this beating of this 14-year-old boy until you heard it today?

Mr. NELSON. There has been lots of talk about that.

Senator CURTIS. You heard their names linked with it?

Mr. NELSON. I have heard their names and mine also, linked with it.

Senator CURTIS. Were you linked with it?

Mr. NELSON. I have heard it linked with it.

Senator CURTIS. I asked you if you were linked with it.

Mr. NELSON. I might say this: You didn't let me finish when you asked me when I first heard about it. You didn't let me finish what happened when the police called.

Senator CURTIS. I did not ask you what happened.

Mr. NELSON. I have been on the picket line several times when there were fracasos on the picket line. I, myself, have never laid a hand on anybody on the picket line.

Senator CURTIS. But you knew a 14-year-old boy had been beaten up, did you not?

Mr. NELSON. I heard that there was a 14-year-old boy that got into a fracas.

Senator CURTIS. And you took no steps to find out what happened, did you?

Mr. NELSON. I wouldn't say that.

Senator CURTIS. Well, what did you do?

Mr. NELSON. It wasn't my job in the first place to do that. That was for the police department. It was told to the police department and reported. It doesn't come within my realm as trustee to find out who got in what fight.

Senator CURTIS. All right. It does come in the realm of every able-bodied citizen and every other good citizen when 2 big bullies pick on a 14-year-old boy.

You knew about it and you did not do anything about it. That is all.

Senator ERVIN. What amount of money did you disburse in this Golden Crust Bakery strike in 1955 and 1956, altogether?

Mr. NELSON. I did not have the sum total as to all expenses. I think we have got a fairly close total of what has been expended regarding strike benefits. I believe there was something like 42——

(The witness conferred with his counsel.)

Mr. NELSON. Right around \$40,000 in strike benefits to the people. There is an added cost where you figure in the strike of moneys paid to other members of the union who came down and used their car and we paid them on their slips that they turned in. There is moneys paid for an attorney's fees that should be added to that total.

There are numerous items that come under the organizing of Golden Crust.

Senator ERVIN. Can you give me the sum total of the amounts that you withdrew in connection with this strike?

(The witness conferred with his counsel.)

Mr. NELSON. The only total that we have made is \$40,000 or approximately that.

Senator ERVIN. And that was all paid in 1955 and 1956?

Mr. NELSON. That is right.

Senator ERVIN. And it was paid through you, was it not, under your supervision?

Mr. NELSON. It was made under my supervision, but I did not pay out 1 cent of that myself to the people.

Senator ERVIN. And you destroyed all of the records showing the disbursements of those sums in cash, did you not?

Mr. NELSON. We destroyed—we threw them out. We didn't deliberately destroy them. There was nothing to hide. We did that upon the advice of Archie Goodman and at the time that we were in the front closet there, Dan Conway was standing there when I was doing it.

Senator ERVIN. Let us get a short answer to a short question. Regardless of whose advice was concerned, you sanctioned and permitted the destruction of all of the actual records showing how that amount of cash was disbursed.

Mr. NELSON. Not only those records, but other receipts that have been already paid.

Senator ERVIN. So as a result of that, you are not now in a position to show any receipt for any amount of over \$40,000 disbursed under your supervision?

Mr. NELSON. Not in a position to show any receipt. We think we do have some supporting documents.

Senator ERVIN. Where did you keep your records?

Mr. NELSON. We kept them in our office for quite some time and then we put our records in the storeroom. I might say this, that up until the time that I let Al Barclay go, he was the one who handled the disbursements.

Senator ERVIN. What closet? You said you had a storeroom for the records.

Mr. NELSON. That is right.

Senator ERVIN. What storeroom?

Mr. NELSON. The room that these records were in is a room of about 5 feet wide, possibly 6 or 8 feet long and it is a pretty high ceiling, I would say 18 feet high, with shelves around it.

Senator ERVIN. Are you attempting to tell this committee that there was no room available in that storeroom for these receipts?

Mr. NELSON. No; I didn't say that. I said that upon instructions from the vice president, who told the secretary, that we threw away all records that dated beyond 7 years on day sheets.

That shows the receipts and the disbursements in detail. We threw away everything back from over 4 years regarding bank statements, canceled checks, and also everything over 4 years on financial reports to the international union.

Every other receipt was thrown out.

Senator ERVIN. In other words, you threw away all the records that showed the disbursements made in cash?

Mr. NELSON. Also, disbursements for telephones—

Senator ERVIN. Answer the question first, please.

Mr. NELSON. We threw away every receipt that we had up to that time, and we continued to throw away the receipts after our auditor came in, once a month. When he got through with our books, we threw away those receipts. We don't throw them away as soon as we get them.

We wait until after the auditor goes through the books.

Senator ERVIN. And some of these receipts were as recent as the earlier part of 1956?

Mr. NELSON. That is right. From November on, we kept the receipts until the auditor came in and then we threw the receipts out.

Senator ERVIN. Despite any instructions you received, why did you not take the position that you ought to retain those records so that you could give an accounting of the money you disbursed in cash if you were ever called upon to do so?

Mr. NELSON. The Golden Crust strike was over, the contract was signed, the members are all in the union, and this is 6 months later. We saw no need to keep those records. There was no argument about it. Nobody had ever brought the argument up to us.

Senator ERVIN. By throwing them away, you fixed it so nobody could sustain an argument about them, too; did you not?

Mr. NELSON. Not intentionally.

The CHAIRMAN. Do you still throw them away once each month now?

Mr. NELSON. That is right. But since Mr. Kopecky has been in, we have given instructions to keep the receipts from now on.

The CHAIRMAN. Let me give you instructions now, as chairman of this committee. You keep every record there from now on. Every record. Until this committee is through with its work. That is an order from this committee.

Mr. NELSON. That is right.

The CHAIRMAN. All right.

Senator CURTIS. Did you lay hands on this 14-year-old boy at all?

Mr. NELSON. No; I didn't.

Senator CURTIS. Did you hit him with a blackjack?

Mr. NELSON. No. I was just going to say I have never owned a blackjack. Where anybody would ever get the idea that I owned a blackjack, they must be crazy. I will say this, I have never been in a fight in my life, not even as a schoolchild.

Senator CURTIS. I wouldn't call this a fight. You never hit the boy with anything?

Mr. NELSON. I never hit him with anything.

Senator CURTIS. What was your answer?

Mr. NELSON. I never hit him with anything.

Senator CURTIS. Were you present when anyone else did?

Mr. NELSON. I don't know. I was there on several occasions on the picket line.

Senator CURTIS. You were there when that boy made that delivery; were you not?

Mr. NELSON. When I made what?

Senator CURTIS. When that boy made that attempted delivery, you were there; were you not?

Mr. NELSON. An attempt to deliver what?

Senator CURTIS. Bake goods, or whatever it was, or supplies.

(At this point Senator Ervin withdrew from the hearing room.)

Mr. NELSON. The only time I remember when there was a fracas between a delivery person was at the Golden Crust Bakery, when a truckdriver came down the alley, a Golden Crust driver, and another car came in the alley from the other direction. He was not connected with us, but the truckdriver thought that he was one of our people, and there was a little fracas there. But we had no connection with that.

The CHAIRMAN. Just one moment. I have been indulging this witness for long answers that are unresponsive. Ask him direct questions and the Chair will order him to answer.

Senator CURTIS. What do you mean by your answer that you do not know whether you were there when this boy was struck?

(The witness conferred with his counsel.)

Mr. NELSON. No.

Senator CURTIS. A bit ago you said you didn't know whether you were present. What do you mean by that?

Mr. NELSON. You are talking about a person who is a delivery person.

Senator CURTIS. I am talking about the 14-year-old boy. I do not know what he was.

Mr. NELSON. I was not present when a 14-year-old boy was in a fight or beat up or whatever you say.

The CHAIRMAN. Do you have anything further?

Mr. KENNEDY. Yes. I wish to ask you about these two checks.

The CHAIRMAN. The Chair presents to you a check dated January 18. The year is not given. It is payable to John D. Nelson in the amount of \$500, drawn on Bakers Union Local, No. 37, signed by John D. Nelson, secretary, and L. R. Ivey, treasurer. This is not dated, but it was canceled in 1956. It was canceled January 19, 1956, the next day. I will present that check to you and ask you to identify it.

(Document was handed to the witness.)

Mr. NELSON. Yes, I do.

The CHAIRMAN. That may be made exhibit No. 33.

(The document referred to was marked "Exhibit No. 33" for reference, and will be found in the appendix on p. 3179.)

Mr. KENNEDY. What was that check for?

(The witness conferred with his counsel.)

Mr. KENNEDY. Mr. Nelson, what was that check for?

Mr. NELSON. What was that question again?

Mr. KENNEDY. What was that check for?

Mr. NELSON. That is part of a group of checks that was drawn on the local union, was part of the contribution to the local from the international of the \$1,500.

Mr. KENNEDY. What happened to that money? Who is it endorsed by on the back?

Mr. NELSON. I endorsed it.

Mr. KENNEDY. Who else?

Mr. NELSON. Do you mean on the front part or the back?

Mr. KENNEDY. Endorsed.

Mr. NELSON. Steven Knight.

Mr. KENNEDY. Who is Steven Knight?

Mr. NELSON. I can't recall right now, right off hand. I would imagine that he probably owns a bar or something. Ordinarily we cash these checks in the union office, and if there wasn't money there to cash it, I probably cashed it in a bar.

Mr. KENNEDY. What did you do with that money?

Mr. NELSON. That was put in along with the rest of the checks, which I have here, which are part of the \$1,500.

Mr. KENNEDY. What do you mean the \$1,500?

Mr. NELSON. That the international union had sent to the local.

Mr. KENNEDY. For what reason? For what purpose?

Mr. NELSON. For the organizing of Van de Kamp's. That is part of the \$75 a week that was sent to the local union.

Mr. KENNEDY. You mean you took it all out? \$500 of it in one lump sum?

Mr. NELSON. I believe you will find that there was a period between the first 10-week period and the second 10-week period, but when the checks were eventually sent to me, I believe you will find that the \$500—they were sent in a group. I am not positive on that.

Mr. KENNEDY. What did you do with that money? You got the cash and what did you do with it?

(The witness conferred with his counsel.)

Mr. NELSON. Part of this money went to Lower, part of it went for expenses on the picket line.

Mr. KENNEDY. There is no question in your mind about that?

Mr. NELSON. To the best of my recollection, that is what it would be, because that is where they all went.

Mr. KENNEDY. You did not give that check over to Kay Lower?

Mr. NELSON. Not to the best of my recollection.

Mr. KENNEDY. Here is another item, Mr. Chairman.

The CHAIRMAN. The Chair presents you another check dated December 19, 1955, in the amount of \$200, payable to yourself, John D. Nelson, signed by you, John D. Nelson, and also signed L. R. Ivey, as treasurer.

I wish you would examine this check and see if you identify it.

(A document was handed to the witness.)

Mr. NELSON. Yes, that is right.

The CHAIRMAN. How long was that given before the \$500 check?

Mr. NELSON. This is December 19, 1955.

The CHAIRMAN. What is the date of the other?

Mr. NELSON. January, I believe.

The CHAIRMAN. January 19, 1956?

Mr. NELSON. January 18, 1956.

The CHAIRMAN. January 18, 1956?

Mr. NELSON. That is right.

The CHAIRMAN. That is within a month's time?

Mr. NELSON. That is right.

The CHAIRMAN. Look at that check and see who endorsed it.

Mr. NELSON. Steven Knight.

The CHAIRMAN. Who endorsed the other one?

Mr. NELSON. Steven Knight.

The CHAIRMAN. Who is Steven Knight?

Mr. NELSON. I said I don't recall. To the best of my recollection, it probably would be a bar. I might say this, this December 19 check is a loan to me.

The CHAIRMAN. A what?

Mr. NELSON. A loan.

The CHAIRMAN. Who authorized that loan to you? John D. Nelson?

Mr. NELSON. I informed the trustee that I was going to take a loan.

The CHAIRMAN. Have you got any receipt where you paid it back?

Mr. NELSON. No, I haven't.

The CHAIRMAN. You haven't paid it back?

Mr. NELSON. I don't believe I have.

The CHAIRMAN. Do you want to give us a check now to your union for it? We will be glad to transmit it.

Mr. NELSON. That will be taken care of. I will have to check the records and see if any money was paid back on that. I don't know.

The CHAIRMAN. Is it not a strange thing you union people come up here, trustees responsible for the money, the dues which have been paid, you borrow money from the union and you never think of it, you don't even know whether you paid it back or not. Don't you think it is a little strange way of operating, for honest men?

Do you want to comment on that?

Mr. NELSON. I did not think it was strange on a loan of \$200.

The CHAIRMAN. Don't you think it strange that you have not paid it back, or still do not know now whether you have paid it back or not? There is nothing strange about that?

Mr. NELSON. I might say this: I have paid back other expenses, and certainly there is no intention upon my part to take anything from the local union that I don't have entitled to me.

The CHAIRMAN. That sounds good but it does not conform to your actions. Proceed.

Mr. KENNEDY. Mr. Nelson, did you give them a note for that \$200?

Mr. NELSON. I don't know whether I did or not. Al Barclay was there at the time. He might have wrote a note and I didn't.

Mr. KENNEDY. It is charged on your books as organizing. Why wouldn't it be charged under a receivable?

Mr. NELSON. It is charged on my books as organizing?

Mr. KENNEDY. Yes. Let me ask you another question.

You got this cashed also at Steven Knight. Is that the same bar? Do you always go to Steven Knight to get your checks cashed?

Mr. NELSON. I go in several bars. I don't know the people at the bars I go into.

Mr. KENNEDY. Did you give this money or did this money go into the hands of Kay Lower?

Mr. NELSON. I don't know whether it did or not.

Mr. KENNEDY. You have no idea?

Mr. NELSON. I don't have any recollection of it at this time.

The CHAIRMAN. If it was a loan, you were not borrowing money to give to her, are you?

Mr. NELSON. Are you talking about——

The CHAIRMAN. I am talking about the \$200 check.

Mr. NELSON. That \$200 check went to me personally.

The CHAIRMAN. You did not give it to her?

Mr. NELSON. No.

Mr. KENNEDY. Mr. Chairman, we were able to locate Mr. Steven Knight; he doesn't run a bar.

Mr. NELSON. Well, I don't know what he runs.

Mr. KENNEDY. We have an affidavit from Mr. Steven Knight, Mr. Chairman, which is of some interest. It is of some interest in view of his earlier testimony.

The CHAIRMAN. This document reads as follows:

Steven Knight, 2519 Beachwood Drive, Los Angeles 28, Calif., Tel. HO. 2-4646, being duly sworn, deposes and says, I make this sworn statement of my own free will, without favor or immunity.

This affidavit [sic] is made at the request of Mr. George Kopecky, known to me as an investigator for the U. S. Senate, Select Committee on improper activities in labor or management, and I am aware this sworn statement is to be used before a hearing of this committee.

I am in the jewelery [sic] business and have been since 1948, in Los Angeles Calif.

On or about Dec. 1, 1955, a party known to me as Kay Lower purchased from me a gentlemen's diamond ring. As I recall the stone was approx. 1 K. The ring was paid partially in cash and partially by check. I received final payment with a \$500.00 check from the Bakers Union, of Los Angeles. This final payment was on approx. Jan. 1956. I received this check from Kay Lower during [sic] an evening in the latter part of January. Both of us, Kay Lower and myself, went to the Hub Furniture Store on Washington near Vermont, to cash the check, since only a portion of the \$500.00 was needed to pay the balance owing on the ring. I gave her the rest of the money in cash. As nearly as I can recall, I got \$200 or \$300 and gave the rest of the cash to Lower. Although I am not sure, there may have been another check given as part payment for this same ring, and this check may have been given to me in the later [sic] part of December 1955.

(Signed) STEVEN KNIGHT.

Subscribed and sworn to before me the 5th day of June 1957.

[SEAL]

(Signed) L. A. BLOOM,

Notary Public, in and for the County of Los Angeles, State of California.

The CHAIRMAN. Let me see the checks a moment. I will be very glad now for you to examine this affidavit by Steven Knight, examine his signature on the affidavit, and also examine his endorsement on these checks and state whether, in your opinion, it is the same Steven Knight that signed all of them.

(Documents handed to the witness.)

The CHAIRMAN. That \$200 check may be made exhibit No. 34.

(The document referred to was marked "Exhibit No. 34" for reference and will be found in the appendix on p. 3180.)

The CHAIRMAN. The affidavit may be made exhibit No. 35.

(The document referred to was marked "Exhibit No. 35" for reference and may be found in the files of the select committee.)

(At this point Senator Goldwater entered the hearing room.)

The CHAIRMAN. Does it look like the same signatures to you?

Mr. NELSON. Yes.

The CHAIRMAN. You have not been to that jewelry store?

Mr. NELSON. No. Where is the jewelry store located?

The CHAIRMAN. He says where it is located, does he not? It gives his address.

Mr. NELSON. I don't even know where Beachwood Drive is.

The CHAIRMAN. That is probably his residential address.

Mr. NELSON. I still say——

The CHAIRMAN. Say what?

Mr. NELSON. On the \$200 check it is a loan, a personal loan, to me. It is carried that way on the check stubs which are in the possession of George Kopecky.

The CHAIRMAN. Do we have those check stubs?

It is carried as a loan?

Mr. NELSON. That is right; to me personally.

The CHAIRMAN. And on the books it is carried as organizing expense?

Mr. NELSON. On the books, like I said before, Barclay was in charge of the books. On our day sheets listing the disbursements, in checking through here I notice that it does not say anything. It does not say organizing expense, it does not say it is a loan. But on the check stub it does say it is a loan.

Mr. KENNEDY. In the records that Al Meyer gave to us, who, I understand, keep your books and records, it is listed by him or he has indicated to us that this is one of the checks that was under organizing.

Mr. NELSON. The checks, prior to February 1, Meyer would not know too much about them because he did not take charge of the bookkeeping.

Mr. KENNEDY. On the \$500, Mr. Nelson, you said you took that money, cashed it, spent some of it to give to some organizers, and gave some of it to Kay Lower.

Mr. NELSON. I said to the best of my recollection.

The CHAIRMAN. What do you want to say about it now, in view of that affidavit and the signatures being the same?

Mr. NELSON. In view of the affidavit, if—I still don't know.

(The witness conferred with his counsel.)

The CHAIRMAN. Is there anything further?

Mr. KENNEDY. No, Mr. Chairman.

The CHAIRMAN. I will tell you what I think. We should find out about it. With the permission of the committee, I am going to direct that a transcript of his testimony of today be sent to the Justice Department. I think we can find out who is telling the truth about it that way.

That is, unless you want to change your testimony.

Mr. NELSON. On the \$500 check, based on the affidavit, if that is what he says, that he received that, and that he went to the Hub furniture store and cashed it, maybe it is true. I don't know. But I noticed on the back of the check the check does not have the Hub furniture store's endorsement. I don't know.

Now, I may have given it to her. I don't know.

Mr. KENNEDY. What about the \$200? Did you give her that?

Mr. NELSON. I don't know. It is marked down as a loan to me.

Mr. KENNEDY. What did you do with the \$200?

Mr. NELSON. Why would I borrow \$200 and turn it over to her?

Mr. KENNEDY. I don't know why you would, Mr. Nelson. I don't know; you tell me.

Mr. NELSON. Not when I am going to be charged for it personally.

Senator CURTIS. Mr. Nelson, how did you handle the withholding tax and social-security tax on these employees in the picket line that were paid in cash?

Mr. NELSON. There was no deductions made for tax or any other purpose. They were paid in cash, and it was a benefit, and it was not a salary.

(At this point Senator Goldwater withdrew from the hearing room.)

Senator CURTIS. Was the employer's part of the social-security taxes paid?

Mr. NELSON. No. I was not aware that it had to be. A strike benefit—I have never heard of a strike benefit before, with anybody paying tax.

Senator CURTIS. I am talking about the people who worked in the picket line.

Mr. NELSON. I will say this—

(The witness conferred with his counsel.)

Mr. NELSON. Prior to this strike, and prior to trusteeship, the local did have on its active payroll professional pickets, and there was taxes and so forth deducted from them.

The CHAIRMAN. This witness may stand aside. This transcript, as quickly as it can be received, will go to the Justice Department. The Chair is going to specifically ask the Justice Department to pursue this. It is a little bit irksome to have this sort of testimony up here and under oath, of records being destroyed and other actions taken loosely, as I see it, with union members' money. We have heard contradictory testimony about how this money was spent and the records destroyed. I think we ought to find out. I think those who are guilty of perjury or misappropriation of these funds should be given judicial attention. You may stand aside for the present.

Who is your next witness?

Mr. KENNEDY. Mr. Chairman, the next witness is a woman whom we attempted to contact and obtain some information from. We had tried to locate her for a period of several months. When we finally did locate her, we told her that we wished some information from her, that it was needed for the committee, either informally or by affidavit. She has not been willing to cooperate with the committee to that extent, and for that reason she is being called as a witness today.

Mr. KENNEDY. Yes, she is.

The CHAIRMAN. Is she present?

The CHAIRMAN. What is her name?

Mr. KENNEDY. Kay Lower.

The CHAIRMAN. Come forward, Kay Lower.

Will you be sworn, please?

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Miss LOWER. I do.

TESTIMONY OF ELSIE K. LOWER, ACCOMPANIED BY COUNSEL,
JOHN H. MARSHALL

The CHAIRMAN. Please state your name, your place of residence, and your business, occupation, or employment please.

Miss LOWER. Elsie K. Lower, 934 South Curson, and I am unemployed.

The CHAIRMAN. Unemployed?

Miss LOWER. Yes.

The CHAIRMAN. You have counsel with you?

Miss LOWER. Yes.

The CHAIRMAN. Counsel, please identify yourself for the record.

Mr. MARSHALL. John H. Marshall, 139 North Broadway, Los Angeles, Calif.

The CHAIRMAN. Mr. Counsel, you may proceed.

Mr. KENNEDY. Miss Lower, we had some testimony and information regarding your connection with the bakers union. As you know, we have been trying to have that verified, and the amounts of money that you received from the bakers union.

Could you tell the committee whether you have been employed by the bakers union and in what capacity?

(The witness conferred with her counsel.)

Miss LOWER. I refuse to answer on the grounds that my answer may tend to incriminate me.

The CHAIRMAN. Do you honestly believe and are you willing to state under oath, that you so believe, that a truthful answer to that question of whether you were employed by the bakers union might tend to incriminate you? Do you honestly believe that?

(The witness conferred with her counsel.)

Miss LOWER. Yes; I do.

The CHAIRMAN. The Chair is not fooled by what is going on. The counsel has a right to advise his client with respect to her legal rights, but he is not to tell her to say yes or no. He may advise her that she has a right to invoke the fifth amendment.

But I believe a question of fact, and particularly one as to whether she honestly believes a truthful answer might tend to incriminate her, addresses itself to her more so than the attorney.

Proceed, Mr. Counsel.

Mr. KENNEDY. We have some testimony that you were connected with the bakers union. Would you tell the committee how you happened to become connected with the bakers union?

Miss LOWER. I refuse to answer.

Mr. KENNEDY. Do you know——

The CHAIRMAN. Just a moment.

You said what?

Miss LOWER. I refuse—what do I say?

I forget what you are supposed to say.

The CHAIRMAN. Ask him again what you are supposed to say.

(The witness conferred with her counsel.)

Miss LOWER. I refuse to answer on the grounds that my answer may intimidate me.

The CHAIRMAN. Might what?

Miss LOWER. May tend to incriminate me.

The CHAIRMAN. You better get that memorized, because there are other questions to come.

Miss LOWER. I will try.

The CHAIRMAN. Go ahead.

Mr. KENNEDY. How did you first become connected with the bakers union?

Miss LOWER. That is the same question.

Mr. KENNEDY. Well, then, do you know Mr. James Cross?

Miss LOWER. I refuse to answer on the grounds my answer may tend to incriminate me.

Mr. KENNEDY. Have you known him for a long time?

Miss LOWER. I refuse to answer on the grounds that my testimony may incriminate me.

Mr. KENNEDY. When you traveled, Miss Lower, did you have your bills paid for by the international union?

Miss LOWER. I refuse to answer on the grounds that my testimony may incriminate me.

The CHAIRMAN. Have you ever done any organization work for the teamsters union or any of its locals?

Miss LOWER. For the teamsters union?

The CHAIRMAN. Yes.

Miss LOWER. No, sir.

The CHAIRMAN. Not for the teamsters?

Have you for the bakers union?

Miss LOWER. I——

(The witness conferred with her counsel.)

Miss LOWER. Would you say that again?

The CHAIRMAN. I first asked you have you ever done any organizing for the teamsters union and you said "No."

Is that correct?

Miss LOWER. Yes.

The CHAIRMAN. Now, have you done any organizing for the bakers union?

Miss LOWER. Well, I don't know what you would call organizing.

The CHAIRMAN. I do not either. Do you know what organizing is?

Miss LOWER. Yes.

The CHAIRMAN. Well, you know what you call it.

Have you done what you call organizing for the bakers union?

Miss LOWER. Well, I helped them, yes.

The CHAIRMAN. Where?

Miss LOWER. In Los Angeles.

The CHAIRMAN. Did you receive pay for it?

Miss LOWER. Yes.

The CHAIRMAN. All right, Mr. Counsel, proceed to interrogate.

Mr. KENNEDY. What were you paid?

Miss LOWER. I wasn't paid salary or a definite amount and I have kept no records.

Mr. KENNEDY. How much were you paid, approximately?

Miss LOWER. I couldn't tell you that either.

Mr. KENNEDY. What sort of work did you do, Miss Lower?

Miss LOWER. With Van de Kamp's Bakery. I went to Van de Kamp's to apply for a job and they wouldn't hire me, so I talked to a few of their employees.

Mr. KENNEDY. And did what?

Miss LOWER. I beg your pardon?

Mr. KENNEDY. What would you talk to them about?

Miss LOWER. About did they want to join the union.

Mr. KENNEDY. Whether they wanted to join the union.

How often did you go? Did you used to go up there and talk to them, or what?

Miss LOWER. Go up where?

Mr. KENNEDY. To the Van de Kamp's Bakery.

Miss LOWER. I have been to Van de Kamp's Bakery.

Mr. KENNEDY. How many times have you been there?

Miss LOWER. I can't remember.

Mr. KENNEDY. Once?

Miss LOWER. Perhaps.

Mr. KENNEDY. Do you think you were there more than once?

Miss LOWER. Yes.

Mr. KENNEDY. Twice?

Miss LOWER. Maybe.

Mr. KENNEDY. You think you were there twice? Do you think you were there more than twice, Miss Lower?

Miss LOWER. The head baker from Van de Kamp's is a very good friend of mine.

Mr. KENNEDY. What is his name?

Miss LOWER. I can't even remember right now.

Mr. KENNEDY. You talked to the head baker up there. What were you talking to him about? About the bakers union?

Miss LOWER. Yes.

Mr. KENNEDY. You were trying to interest him in the bakers union?

Miss LOWER. Yes.

Mr. KENNEDY. Was that your job?

Miss LOWER. Yes.

Mr. KENNEDY. To interest the head baker in the bakers' union?

Miss LOWER. Well, he was in a position where he could talk to the other people in the plant.

Mr. KENNEDY. Were you saying what a good idea it was to be a member of the bakers' union?

Miss LOWER. Yes.

Mr. KENNEDY. Did you talk to any of the other employees there?

Miss LOWER. No, I did not.

Mr. KENNEDY. Could you give us his name?

Miss LOWER. I can't even remember. He is a Mexican fellow. He is married to a woman named Magie. That is all.

Mr. KENNEDY. You do not remember his name?

Miss LOWER. No.

Mr. KENNEDY. Did you get names of people from him or did you get them in some other way?

(The witness conferred with her counsel.)

Miss LOWER. Yes, I got names from him.

Mr. KENNEDY. What sort of names, Miss Lower?

Miss LOWER. People that were working in his plant. He was a night baker there and he knew all of the employees.

Mr. KENNEDY. And what would you do with the names?

Miss LOWER. I gave them to Mr. Nelson.

Mr. KENNEDY. Did you have a list of the names?

Miss LOWER. No.

Mr. KENNEDY. You did not.

Is that what you were being paid for?

Miss LOWER. Yes.

Mr. KENNEDY. To get these lists of names, is that it, from the head baker?

Miss LOWER. Yes.

Mr. KENNEDY. Did they know you were doing it through the head baker?

Miss LOWER. I don't know if they knew it or not.

Mr. KENNEDY. Did all your work take place in that area there?

Miss LOWER. I refuse to answer on the grounds that my answer may intimidate me.

Mr. KENNEDY. You what?

Miss LOWER. Don't make me say it again. I refuse to answer on the grounds that my answer may intimidate me. Incriminate.

Mr. KENNEDY. We find from a review of the records, and that is why I asked the question, in the bakers' conventions, that you attended quite a number of the bakers' conventions. What were you doing there?

Miss LOWER. I refuse to answer on the grounds that my testimony may incriminate me.

Mr. KENNEDY. For instance, on March 5, 1956, you were with the bakers down in Miami Beach. What were you doing down there?

Miss LOWER. In what?

Mr. KENNEDY. March of 1956.

Miss LOWER. I was there once with a girl friend on vacation.

Mr. KENNEDY. Were you there any other time?

Miss LOWER. Yes.

Mr. KENNEDY. With whom?

Miss LOWER. I refuse to answer on the grounds it might—you know.

Mr. KENNEDY. When you were there the other time, when you weren't there with your girl friend, when you were there the other time, were your bills paid for by the bakers' union?

Miss LOWER. I refuse to answer on the grounds that my answer may incriminate me.

Mr. KENNEDY. Were your expenses paid for by the bankers union?

Miss LOWER. I refuse to answer on the grounds that it may incriminate me.

Mr. KENNEDY. Were you paid anything besides your expenses by the bakers union?

Miss LOWER. I refuse to answer on the grounds that my answer may incriminate me.

Mr. KENNEDY. Have you ever been to Denver, Colo.?

Miss LOWER. I refuse to answer on the grounds that my answer may incriminate me.

The CHAIRMAN. Is there something in Denver, Colo., that is incriminating?

Miss LOWER. I don't know.

The CHAIRMAN. Was there at that time?

Miss LOWER. I don't know.

The CHAIRMAN. You do not know.

All right. Proceed.

Mr. KENNEDY. We have some information that you were there at the same time some of the bakers were there, in Denver, Colo.

Were your bills paid or expenses paid for in Denver, Colo., by the bakers?

Miss LOWER. I refuse to answer on the grounds that my answer may incriminate me.

Mr. KENNEDY. Were you doing any work for the bakers union there?

Miss LOWER. I refuse to answer on the grounds that my answer may incriminate me.

Mr. KENNEDY. Then we find you in Portland, Oreg., in October 1955. Were you doing work for the bakers union there?

Miss LOWER. I refuse to answer on the grounds that my answer may incriminate me.

Mr. KENNEDY. Were your bills or expenses being paid for by the bakers union?

Miss LOWER. I refuse to answer.

Mr. KENNEDY. Then we find you in January 1956, in Ottumwa, Iowa. Have you ever been in Ottumwa?

Miss LOWER. I refuse to answer on the grounds that my answer may incriminate me.

Mr. KENNEDY. Were you doing any work for the bakers at that time?

Miss LOWER. I refuse to answer on the grounds that my answer may intimidate me.

Mr. KENNEDY. Were your bills and expenses paid for by the bakers union?

Miss LOWER. I refuse to answer.

Mr. KENNEDY. Were you in New York in December 1955?

Miss LOWER. I refuse to answer on the grounds that my answer may incriminate me.

Mr. KENNEDY. Were you doing work for the bakers union in New York in December 1955?

Miss LOWER. I refuse to answer on the grounds that my answer may tend to intimidate me.

The CHAIRMAN. When did you begin your employment for the bakers union?

Miss LOWER. I don't know how you could really call it employment.

The CHAIRMAN. You got money for it, did you not?

Miss LOWER. Yes.

The CHAIRMAN. When did you begin?

Miss LOWER. I refuse to answer on the grounds that my answer may incriminate me.

The CHAIRMAN. Wait a minute. You already testified that you had employment, did you not?

Miss LOWER. Yes.

The CHAIRMAN. Then when did your employment start with the union?

Miss LOWER. I don't remember.

The CHAIRMAN. Was it about the time you were out in Los Angeles and the strike was going on and you were talking about the head baker or the night baker or something? Is that right?

Miss LOWER. Yes.

The CHAIRMAN. Whatever date that is, is that about when it started?

Miss LOWER. Yes.

The CHAIRMAN. When did it end?

Miss LOWER. I don't remember that either.

The CHAIRMAN. It ended about the time you cashed the \$500 check or a little after that?

Miss LOWER. I don't remember.

The CHAIRMAN. You remember going down there and buying the ring, do you not?

Miss LOWER. Yes.

The CHAIRMAN. You remember that?

Miss LOWER. Yes, I do.

The CHAIRMAN. Did you pay for that ring or pay part of it with that \$500 check that we have been talking about here?

Miss LOWER. I might have paid for part of it.

The CHAIRMAN. Let us see that check.

Here is the \$500 check. You have already talked about it this afternoon. It is dated January 18, and it was cashed January 19, 1956, in the amount of \$500, made to John D. Nelson. Did he give you that check? I am talking about this check, exhibit 33 in the testimony.

Miss LOWER. I don't really remember.

Steven Knight says he cashed it for me.

The CHAIRMAN. Take a look at it and see if you did not take it to that jeweler and cash it by paying for a diamond ring.

(Document handed to witness.)

Miss LOWER. I don't remember whether that was the check or not.

The CHAIRMAN. One like it, for \$500, about that time?

Miss LOWER. It could have been.

The CHAIRMAN. Well, you did get—

Miss LOWER. Well, I don't remember.

The CHAIRMAN. Try to remember just once.

Did you take a \$500 check down there that had been made out to Mr. Nelson to pay on that ring or to pay the balance on the ring, and get the difference in cash? Do you remember that?

Miss LOWER. No, I don't remember. I don't remember the amount of the check. I don't.

The CHAIRMAN. Well, did you take a check down there from Nelson?

Miss LOWER. Yes, I did.

The CHAIRMAN. You do not remember the amount of it?

Miss LOWER. No, I don't.

The CHAIRMAN. So Mr. Nelson gave you that check, is that correct?

Miss LOWER. Well, I guess if I took it down there, he did.

The CHAIRMAN. You ought to know.

Do you get ahold of \$500 checks without knowing who gives them to you or where they come from? You are not accustomed to doing that, are you?

Miss LOWER. No, I am not.

The CHAIRMAN. You remember.

Did he give you that check?

Miss LOWER. I refuse to answer.

The CHAIRMAN. The Chair is going to order you to answer that.

Miss LOWER. Now, I don't remember the check in question. I remember I did buy a diamond ring. Mr. Nelson owed me some money. He did give me a check. Whether or not this is the same check, whether or not this is the same one Steve Knight is talking about, I don't know.

The CHAIRMAN. So whether it is that check or not, you did get a check from Mr. Nelson, he gave you a check?

Miss LOWER. Yes.

The CHAIRMAN. And you took it down there to pay on a ring?

Miss LOWER. Yes.

The CHAIRMAN. That is correct, is it?

Miss LOWER. Yes.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Could you tell us what you did with the ring?

Miss LOWER. I refuse to answer on the grounds it may intimidate me—incriminate me.

Mr. KENNEDY. Were you supposed to give the ring to Mr. Cross?

Miss LOWER. I refuse to answer on the ground my answer may incriminate me.

Mr. KENNEDY. Do you have a friend by the name of Joe Arringer?

Miss LOWER. Yes.

Mr. KENNEDY. Did you give that ring to Joe Arringer?

Miss LOWER. I refuse to answer on the grounds my answer may incriminate me.

Mr. KENNEDY. I want to understand whether you told a story to a police officer in Los Angeles, that this ring was supposed to have been purchased for James Cross, that instead of giving it to James Cross, you gave it to Mr. Joe Arringer, and Mr. Cross came and beat you up in your room.

Miss LOWER. I refuse to answer on the grounds that my answer may incriminate me.

Mr. KENNEDY. Did you tell that to a police officer?

Miss LOWER. I refuse to answer.

Mr. KENNEDY. And at the time Mr. Cross came to your room and beat you up, was Mr. Nelson with you?

Miss LOWER. I refuse to answer that question.

Mr. KENNEDY. Has Mr. Cross ever beaten you up?

Miss LOWER. I refuse to answer.

The CHAIRMAN. Are you afraid of him?

Miss LOWER. No, I am not.

The CHAIRMAN. All right.

Mr. KENNEDY. Did you receive any other moneys from the Bakers Union?

Miss LOWER. I refuse to answer on the grounds my answer may incriminate me.

The CHAIRMAN. The Chair will order you to answer that.

You admitted you worked there and that you received money. Whether it is this check or not, the Chair will order and direct you to answer that question, with the permission of the committee.

Senator CURTIS. Yes.

The CHAIRMAN. You are ordered and directed to answer the question whether you received any other moneys from the Bakers Union.

Miss LOWER. I can't say that I received—not from the Bakers Union, no.

Mr. KENNEDY. You received some money from Mr. Cross?

Miss LOWER. I——

(The witness conferred with her counsel.)

Miss LOWER. Would you repeat the question, please?

The CHAIRMAN. Did you receive any other money from the Bakers Union?

Miss LOWER. No, not from the Bakers Union.

The CHAIRMAN. Have you ever received any other money from Mr. Nelson?

Miss LOWER. From Mr. Nelson?

The CHAIRMAN. Yes.

Miss LOWER. Yes.

The CHAIRMAN. Have you received any other money from Mr. Cross?

Miss LOWER. I imagine so.

The CHAIRMAN. You imagine so?

Miss LOWER. Yes.

The CHAIRMAN. Can you not be a little more certain than imagining?

(The witness conferred with her counsel.)

The CHAIRMAN. Did you or did you not? You know whether you did or not.

(The witness conferred with her counsel.)

The CHAIRMAN. Either answer it or refuse to answer.

Miss LOWER. Yes.

Oh, I refuse to answer. I am sorry. I thought you were ordering me to answer.

The CHAIRMAN. Now the Chair is ordering you to answer. Did you receive any other money from Mr. Cross?

Miss LOWER. Yes.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Could you tell us approximately how much you received from the union altogether?

Miss LOWER. I never kept any record.

Mr. KENNEDY. Could you tell us how much you received from Mr. Cross?

Miss LOWER. I never kept any record.

Mr. KENNEDY. You received a \$200 Western Union money order, as I remember. Are you familiar with that? They sent \$200, telegraphed to Miami Beach, Fla., March 5, 1956, to Mrs. E. K. Thorpe. Don't you also go by that name?

Miss LOWER. Yes.

Mr. KENNEDY. Do you remember receiving that?

Miss LOWER. No, I don't.

Mr. KENNEDY. It is an exhibit, I believe.

(Document handed to witness.)

The CHAIRMAN. The record shows there that you received \$200 by Western Union in the name of——

Mr. KENNEDY. It is in the name of Mrs. E. K. Thorpe.

The CHAIRMAN. In the name of Mrs. E. K. Thorpe. That shows the date.

Did you receive that money?

Miss LOWER. My signature is on the back. I guess I did. I don't remember.

The CHAIRMAN. Is it a fact that you were just receiving so much money that you cannot account for it?

Miss LOWER. No, sir.

The CHAIRMAN. You cannot remember any particular item?

Miss LOWER. Well, sir, you are talking about things, dates, back where I—yes, I imagine I received it.

Mr. KENNEDY. What did you receive that money for?

Miss LOWER. I don't remember.

Mr. KENNEDY. Were you doing any work for the Bakers Union in Miami?

(The witness conferred with her counsel.)

Miss LOWER. I refuse to answer that question.

The CHAIRMAN. You are ordered and directed to answer the question.

You are receiving money there from the union, in Miami. You admitted that. The question is were you doing work for the union down there at that time?

Miss LOWER. I could have been. I don't remember the date here.

The CHAIRMAN. Did you ever do any work for the union down there?

Miss LOWER. Yes, I did.

The CHAIRMAN. When?

Miss LOWER. I don't remember.

Mr. KENNEDY. What sort of work?

Miss LOWER. In regard to the Van de Kamp plant?

Mr. KENNEDY. In Miami, Fla., what were you doing down there?

Miss LOWER. Well, that was this check——

Mr. KENNEDY. Did you ever do any work for them in Florida?

Miss LOWER. I don't remember. I was there 3 weeks with a girl friend. It was her vacation and we went to Florida.

Mr. KENNEDY. I am not talking about that trip. I am talking about another trip. Did you ever do any work for the bakers in Florida?

Miss LOWER. I refuse to answer that question.

Mr. KENNEDY. What was Mr. Cross paying you for?

Miss LOWER. I don't remember what the check was for.

Mr. KENNEDY. Not that check; just generally. What was Mr. Cross paying you for?

Miss LOWER. I refuse to answer that question.

Mr. KENNEDY. Mr. Chairman, I have just one last matter.

In the Cosmopolitan Hotel, the bill of Elsie Thorpe shows that it is charged to Cross' room. Were you sending your bills at these hotels to Mr. Cross?

Miss LOWER. I refuse to answer on the grounds it may incriminate me.

Mr. KENNEDY. Were you doing any work out there for the Bakers Union, in Denver?

Miss LOWER. I refuse to answer on the grounds it may incriminate me.

Mr. KENNEDY. That is all.

The CHAIRMAN. You may stand aside.

The committee cannot finish by tomorrow. We had hoped to get far enough along to finish by noon. It is not convenient for the members to be here the full day. The Chair had to be absent from Washington on official business and Monday the chairman, as a member of another committee, feels it necessary to be at that committee meeting.

Therefore, this series of hearings will have to be continued over until 10 o'clock next Thursday morning.

(Whereupon, at 5:15 o'clock, the committee was recessed to reconvene at 10 a. m., Thursday, June 13, 1957.)

(Members present at the taking of the recess were Senators McClellan and Curtis.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

TUESDAY, JUNE 18, 1957

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee met at 10 a. m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the Caucus Room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Sam J. Ervin, Jr., Democrat, North Carolina; Senator Pat McNamara, Democrat, Michigan; Senator Barry Goldwater, Republican, Arizona; Senator Karl E. Mundt, Republican, South Dakota; Senator Carl T. Curtis, Republican, Nebraska.

Also present: Robert F. Kennedy, chief counsel to the select committee; George M. Kopecky, assistant counsel; James F. Mundie, investigator; Ruth Young Watt, chief clerk.

The CHAIRMAN. The committee will be in order.

(Members of the select committee present at the convening of the session were Senators McClellan and Curtis.)

The CHAIRMAN. We resume hearings this morning previously begun, looking into the activities of the Bakers and Confectionery International Union. Since we last held a public hearing in this matter, the staff has learned that the witness John D. Nelson, who testified I believe on the closing day of the last session of hearings and whose testimony the Chair ordered sent to the Department of Justice for its attention, paid no income tax and made no income tax return for the years 1952 and 1953, and that he only filed an income tax return for the years 1954, 1955, and 1956 since he was served by a subpoena from this committee.

The staff has also made inquiry regarding the money that was raised for Mr. Max Kralstein, vice president of the Bakers and Confectionery Workers Union and we developed the testimony, as you recall, that he had received something like \$80,000 profit from a dinner and some \$60,000 went, purportedly to buy him a home. That was in 1956.

A check by the staff indicates that those who contributed to this fund charged it off as a deduction, many of them as a business expense. Therefore, Uncle Sam was bearing a large percent of the cost of that dinner and that gift, since Mr. Kralstein himself did not file

any income tax return to account for the money that he received and paid no taxes on it.

These matters are things that affect the economy and efficiency of Government considerably and as a result of these hearings we are bringing these instances to the attention of the proper authorities of the executive branch of the Government with the hope that they will pursue them and possibly reconp considerable revenues that the Government today is losing by these practices.

If existing law is not sufficient or not adequate to compelling the accounting for such funds and the payment of taxes on them, it may be of interest to the Congress to look into that and even enact legislation that will prevent taxpayers of this country from having to make involuntary contributions along these lines to such activities.

It is our feeling that these matters are of considerable public interest and should be of interest to the Government, and that the Government should undertake appropriate action not only to reconp the losses it has already sustained, but prevent similar losses in the future.

Mr. ARTHUR KAMELL. Excuse me. May I make a short statement? My name is Kamell.

The CHAIRMAN. Just a moment.

Mr. Counsel, who is the next witness?

Maybe the Chair should make one correction. I did not quite understand counsel. Mr. Kralsetin did mention the fact that he had received this money, but paid no tax on it and in all fairness I wanted to make that correction.

What is your name?

Mr. KAMELL. My name is Kamell, sir, and I am here as a representative of Mr. Kralstein and if I may I would like to make a short statement about Mr. Kralstein's tax return.

The CHAIRMAN. All right, briefly. The Chair will hear you. Are you an attorney that appeared here representing Mr. Kralstein?

Mr. KAMELL. I did not appear here personally to represent him, but I am here as his representative.

The CHAIRMAN. Do you want to be a witness?

Mr. KAMELL. In this respect, sir——

The CHAIRMAN. Just a moment. Do you want to be a witness before this committee?

Mr. KAMELL. I think I am in a position, sir——

The CHAIRMAN. I did not ask you that. Do you want to be a witness?

Mr. KAMELL. I can be a witness as to this portion of the testimony that I would like to give you.

The CHAIRMAN. Will you stand aside and when we get time we will try to hear you.

Mr. KAMELL. Thank you.

The CHAIRMAN. All right, call your next witness. Mr. Mann, come around, please.

All right, Mr. Mann, will you be sworn? You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth and nothing but the truth so help you God?

Mr. MANN. I do.

TESTIMONY OF GILBERT MANN

The CHAIRMAN. Will you state your name and your place of residence and your business or occupation, please?

Mr. MANN. My name is Gilbert Mann, and I live at 736 West Tomahawk Trail, Round Lake, Ill. My business was president and corresponding secretary of the Bakery and Confectionery Workers International Union, Local 100 of Chicago.

The CHAIRMAN. Thank you very much. Have you conferred with members of the staff regarding what your testimony may be?

Mr. MANN. Yes, sir.

The CHAIRMAN. Do you understand that you are privileged, if you desire, to have counsel present to advise you of your legal rights while you testify?

Mr. MANN. Well, on what I have to say, I don't think that I need counsel.

The CHAIRMAN. You waive counsel, then?

Mr. MANN. Yes, sir.

The CHAIRMAN. Thank you very much.

Mr. Kennedy, will you proceed?

Mr. KENNEDY. You are how old now, Mr. Mann?

Mr. MANN. Well, I am 71.

Mr. KENNEDY. You are 71 years of age?

Mr. MANN. Seventy-two this year.

Mr. KENNEDY. How long were you a baker?

Mr. MANN. Well, I have been in the baking business for 57 years, but I was actually working in the shops about 35 years.

Mr. KENNEDY. You were an officer in local 100 in Chicago?

Mr. MANN. Since March 10, 1936.

Mr. KENNEDY. Is that the first time you went into the union?

Mr. MANN. No, I was very active in assisting to organize the retail bakers in the South Side branch of local No. 2, and 62 prior to that. I rejoined the union in 1930. I have been a union member from 1917 to 1921. Then I went into business. I did not take out a withdrawal card, but I went back into the union in 1930.

Mr. KENNEDY. Were you an organizer in 1930?

Mr. MANN. Well, I assisted on the South Side branch, without any pay. I was working in a shop.

Mr. KENNEDY. Were there many members of the bakers union at that time?

Mr. MANN. Just in the retail industry. We only had one when we started on the South Side that carried the union label.

Mr. KENNEDY. You only had one member?

Mr. MANN. One shop that was organized, on the South Side of Chicago.

Mr. KENNEDY. And you did some work in organization after that?

Mr. MANN. In the retail trade, I assisted to help organize the retail trade from 1930 to 1936.

Mr. KENNEDY. In 1936 what did you do?

Mr. MANN. I went to work with the international union in February of 1936 to reorganize the large or major shops in the baking industry in the city of Chicago.

Mr. KENNEDY. You became an officer in that union?

Mr. MANN. I became president and financial secretary-treasurer at that time, and resigned my job as an organizer for the international and took up or went to work for the local 100 union we had just formed.

Mr. KENNEDY. As secretary-treasurer?

Mr. MANN. Secretary-treasurer and president.

Mr. KENNEDY. And you remained president until when?

Mr. MANN. Until the 21st of January 1955.

Mr. KENNEDY. Did you resign at that time?

Mr. MANN. Well, under pressure.

Mr. KENNEDY. Under what conditions did you resign or did you resign in 1955?

Mr. MANN. Well, conditions were that I came into my office on January 21, 1955, and one of the vice presidents, George Stuart was there with an auditor, who told me he would like to ask me a few questions.

He asked me a few questions and I tried to answer them to the best of my ability, but I told him that I would like—I have some notes made of that.

Mr. KENNEDY. Just tell me first, you came into your office and did you expect him to be there?

Mr. MANN. No; I did not expect him.

Mr. KENNEDY. He just came in one morning?

Mr. MANN. Yes, sir.

Mr. KENNEDY. Where was he?

Mr. MANN. He was sitting behind my desk with a gun. It was my gun, he had taken it out of the drawer, left there by my brother while he was in the hospital.

Mr. KENNEDY. What did he say to you at that time?

Mr. MANN. He told me then that I must resign and he showed me a telegram from the president of the Bakery and Confectionery Workers International Union where he had been placed in trusteeship.

Mr. KENNEDY. Who was the president at that time?

Mr. MANN. James Cross.

Mr. KENNEDY. There was a telegram from Mr. Cross?

Mr. MANN. Yes, sir.

Mr. KENNEDY. Now, do you have that telegram?

Mr. MANN. Yes, sir.

Mr. KENNEDY. Do you have it with you?

Mr. MANN. Yes, sir.

Mr. KENNEDY. Could we see it?

Mr. MANN. Yes, sir.

The CHAIRMAN. May I ask you, Mr. Mann, whether previous to that time you had had any warning or any notice to indicate that such action was imminent or about to be taken?

Mr. MANN. I don't think that I got your question correctly, Mr. Chairman.

The CHAIRMAN. Prior to the time you went into your office that morning, on January 21, and found Mr. Stuart there, had you received any message or any warning or anything to notify you or indicate to you that such action was going to be taken?

Mr. MANN. None, not that there was going to be any action taken against me. The international had somebody working over the books and I had turned all of the books over to them and they took everything I had and they were going over the books.

The CHAIRMAN. That was just an audit?

Mr. MANN. Yes, sir.

The CHAIRMAN. But you had previously had no notice?

Mr. MANN. No, sir.

The CHAIRMAN. No request for additional information, or anything else?

Mr. MANN. No, sir.

The CHAIRMAN. No complaint?

Mr. MANN. No complaints.

The CHAIRMAN. That was a pretty rude way of handling the matter: was it not? Is that the custom in the bakers union?

Mr. MANN. Well no, I think my executive board met the next day and I wanted to appear before the executive board and resign before our executive board. But I was told by Mr. Stuart that I could not come before the executive board and resign.

He just told me that I was through. He promised me 15 weeks of pay and I told him that I had no money and that I owed on my home, \$1,400 and some dollars and I said that I would like—or I think that I gave the union service and I have organized every one of these shops and I have been here for 18½ years and I should have some kind of compensation.

But he said he would give me 15 weeks' pay and give me an insurance policy for the rest of my life, health, and welfare. Well, I felt that was that and so he took the keys out of my overcoat and took my car and sent someone home with me and that was that.

I had no right to trial, and I had no right to nothing and I was broke and I had to live. I applied for my social security which was \$98.50 and he came out to my home on Sunday and he said that he would take a mortgage on my home and reduce my payments and I could not meet them on \$78 a month and he said the union would probably take care of it.

But he drew up a mortgage I have with me, and so out of my \$98.50 I had to pay to the American National Bank \$50 which left me \$48.50 for a livelihood. I have the checks here that I sent to the American National Bank & Trust Co. of Chicago and there is \$454 yet remaining to be paid, but since this investigation has started I haven't been bothered, which I was notified before, and I don't know where the money goes.

Mr. KENNEDY. So that we get the fact a little clearer, at the time that you left the union you were promised by Mr. Stuart that you would receive 15 weeks' salary; is that right?

Mr. MANN. Yes, sir.

Mr. KENNEDY. Did you receive that?

Mr. MANN. I never received it.

Mr. KENNEDY. You never received that money?

Mr. MANN. No, sir.

Mr. KENNEDY. Did you receive any of the pension and welfare money?

Mr. MANN. No, sir.

Mr. KENNEDY. You did not receive that either?

Mr. MANN. No.

Mr. KENNEDY. And you did not appear before your executive board?

Mr. MANN. I was not permitted to and I was told I couldn't by Mr. Stuart.

Mr. KENNEDY. Did you ever have any kind of a trial?

Mr. MANN. No trial whatsoever

Mr. KENNEDY. Did you ever receive a letter informing you of the charges against you?

Mr. MANN. No.

Mr. KENNEDY. You never knew of the charges against you?

Mr. MANN. They questioned me on a few charges there.

Mr. KENNEDY. What were the charges that they questioned you about?

Mr. MANN. The charges that they questioned me about that my executive board authorized me to spend \$500 at the Illinois State Fair. When I got to the Illinois State Fair, I had one of the employees, female employees, took sick and had to have a doctor's care, and so I spent a little more than the \$500, and then there was a bill for \$175 from one of the locals there in Springfield that had not been paid for the previous year.

So I paid that \$175 in December of 1954 after I got the bill from George Selman, who was the secretary of the Illinois State Council. I was criticized for that.

Mr. KENNEDY. What about your automobile?

Mr. MANN. The automobile was bought for 10 years; the committee bought the automobile first 10 years, and it was bought in my name and I had the title of the automobile. Of course, it said in the minutes that this union should buy an automobile every year.

Of course, I had broken up my own car first. The union kept up my automobile up to that time.

Mr. KENNEDY. Was there criticism because it was the automobile of the union and you kept the automobile in your own name?

Mr. MANN. Yes; there was some criticism.

Mr. KENNEDY. Did the executive board know that you had kept the automobile in your own name?

Mr. MANN. Yes, sir.

Mr. KENNEDY. You were also talking about the fact that the payments at the time you left the union or the time you were asked to resign by Mr. Stuart, the payments were \$78 a month on your home.

Mr. MANN. Yes, sir.

Mr. KENNEDY. And Mr. Stuart arranged to have them lower to \$50 a month; is that right?

Mr. MANN. Yes.

Mr. KENNEDY. Did he change banks?

Mr. MANN. Yes; the mortgage is here and he is the trustee of the mortgage.

Mr. KENNEDY. So now you pay \$50 a month on your home?

Mr. MANN. Yes.

Mr. KENNEDY. Now, Mr. Chairman, we have already had testimony on that \$50 that you pay a month goes into the personal bank account, or \$49 out of that \$50 goes into the personal bank account of George Stuart.

Mr. MANN. It goes into the personal account, you say?

Mr. KENNEDY. Were you aware of that?

Mr. MANN. No, sir.

Senator CURTIS. May I ask something at that point? What is the status of the mortgage that was on your house then? Is that being paid off?

Mr. MANN. The mortgage on my house?

Senator CURTIS. Yes.

Mr. MANN. This \$50 goes to this mortgage here.

Senator CURTIS. How about the other mortgage that was on there?

Mr. MANN. Well, I didn't have a mortgage. I had a contract with the Home Federal & Loan Association in Chicago.

Senator CURTIS. Do you know whether that has been paid?

Mr. MANN. That was paid off by the union, I understood. It was paid off and then I got a mortgage. You see, I was going to have that done at the bank. Stuart said for me to cancel it with the bank and he would handle it.

Senator CURTIS. Do you know the name of the auditor that appeared with Mr. Stuart?

Mr. MANN. I think his name was Geffner. I don't know whether he came out of Philadelphia or New York, and I can't recall.

Senator CURTIS. But he was not a local auditor?

Mr. MANN. No.

Senator CURTIS. He was brought in there by Mr. Stuart?

Mr. MANN. He was brought in—I don't know who brought him in—you see, he was with Mr. Stuart and he audited the books.

Senator CURTIS. Now, you testified that they criticized certain transactions that were made. At any time did they ever accuse you of misappropriation of funds to your own benefit?

Mr. MANN. No; they told me that there was nothing against me at all, as far as that is concerned or my honesty. He said that he had orders to take me off and that is what he was there to do.

I would like to say, too, that he fired all of the 4 girls that were working for me, one of them worked for 11 years and one 12 years and another one 8 years and the other one 2 years.

After going over the books of the business agents, there was no discrepancy, the 2 boys were honest, and he fired those 2 business agents, too, and one had been with the union for 18 years and the other one 14 years.

Senator CURTIS. To the best of your knowledge, your own books and accounts were accurate?

Mr. MANN. As far as the books and accounts were concerned, they were accurate, I know that because every month we checked them.

Senator CURTIS. You made reference to a gun. Was he just merely casually handling this gun that happened to be in the desk, or was the gun used in any menacing manner?

Mr. MANN. Well, he had the gun and he had a box of shells and it was a stainless-steel gun and I guess he still has it yet today, and he never returned it to me.

Senator CURTIS. Whom did it belong to?

Mr. MANN. It belonged to a brother of mine that had left his clothes there. He was a bachelor and I sent the two business agents out to pick him up and take him to the veterans' hospital at the time, and

they brought his belongings and left them in the office until he could get out of the hospital.

Senator CURTIS. That is all.

Mr. KENNEDY. Just so we get cleared up about the mortgage in your home, you were paying \$78 a month, is that right?

Mr. MANN. Yes; I couldn't meet that.

Mr. KENNEDY. And then the union put up the money and took it from that bank and put it in another bank, is that right, so that you only had to pay \$50 a month?

Mr. MANN. That is right.

Mr. KENNEDY. And it was the union money that was put up at that time.

Mr. MANN. Well, I was under the impression that that is what it was, that is what he told me.

Mr. KENNEDY. We had the check here, at the hearings, and it was a union check and then as you paid your monthly \$50, the bank took \$1 for collection and the other \$49 was put into Mr. Stuart's personal bank account.

You were not aware of that?

Mr. MANN. I was not aware of that.

Mr. KENNEDY. Did you want to see some of these checks?

The CHAIRMAN. You may pass them up and we will look at them later.

(At this point, Senators McNamara and Ervin entered the hearing room.)

Mr. KENNEDY. How much do you receive a month now?

Mr. MANN. I receive \$98.50 a month and \$50 out of that goes to the bank. It leaves me \$48.50, to live on. That doesn't hardly run and I am in debt now and I haven't been able to pay my taxes for 1956.

Mr. KENNEDY. Do you receive anything from the bakers union?

Mr. MANN. Yes; there was a collection taken up for me by the members in the bakers union here about 2 weeks ago, and they gave me \$250 and then they gave me another \$126. That is \$376 that I received from the officers of the union there in various locals there in the city of Chicago which has been very helpful to me, because I didn't have one penny. I couldn't even make a telephone call.

Mr. KENNEDY. How long were you with the bakers union?

Mr. MANN. I was with the bakers union from the last time, from 1930 until January 21, 1955, and then I was told to take a withdrawal card. I was told to take this withdrawal card and I would receive the benefits.

Mr. KENNEDY. So you were with them about 25 years?

Mr. MANN. Twenty-five years.

Mr. KENNEDY. And were you here when the committee heard the discussion of the dinner for Max Kralstein?

Mr. MANN. No; I was not present and I don't know anything much about it.

Mr. KENNEDY. He received a gift of \$16,000, were you aware of that?

Mr. MANN. No; I don't know anything about it.

Mr. KENNEDY. And after 25 years the bakers union gave you how much?

Mr. MANN. Not one penny.

Mr. KENNEDY. There was a collection taken up in the last 2 weeks for you which amounted to about \$376?

Mr. MANN. Yes, sir, which I appreciated, and I want to thank those fellows that made that gift to me, and it was really very helpful.

Senator McNAMARA. I would like to ask the witness a couple of questions. You state you were told to take the withdrawal card. That is an unusual way to get a withdrawal card. Ordinarily the individual makes a request for withdrawal cards. Did you make a request on instruction of somebody?

Mr. MANN. No; I was told because I had paid my dues, but Mr. Stuart told me that I should take a withdrawal card, and I would pay \$2 a month instead of the \$3.85 I was paying, and I would receive all of the benefits.

Naturally, I felt this way about it: Honestly, I felt that I know our international had lots of power and I didn't think that I had any chance to appeal or anything, of any kind, and I didn't know how to do it, and I felt he wanted me on a retirement card, so I never could come back into the union and run as an officer, and I felt they just wanted to get rid of me.

Senator McNAMARA. There is no question from what you state they wanted to get rid of you, but you were there for 25 years.

Mr. MANN. Yes, sir.

Senator McNAMARA. Then there is a procedure for getting a withdrawal card, under the constitution. Do you know the procedure?

Mr. MANN. Yes; you apply for the withdrawal card.

Senator McNAMARA. Did you apply?

Mr. MANN. No. I didn't apply. They just told me to take it out, and they told the secretary to fill out a withdrawal card for me and that was it.

Then, I would like to state further that I was very much interested, and I thought maybe I would like to have a checkup in the hospital at my age, but I thought I had better question the union regarding it.

I hadn't received any policy. So I asked the officers of local 100 now, after they have merged, about my policy and they told me that the union had paid for my policy up until April and that they got a letter from the international union that they shouldn't have paid for that because I would have to work 24 hours a week in a shop and they said I have no insurance whatsoever now.

However, they said to me, they returned \$8 of my money that I had been paying on the withdrawal card and told me to take out a retirement card and that I would receive \$500 at death. I was talking to one of the other officers yesterday here, and he said if I don't hurry up and die, I won't get that \$500 either.

Senator ERVIN. If you die you would not get it either. You lose both ways.

Mr. MANN. That is right.

Senator McNAMARA. I am interested in the withdrawal card. There is certain authority to issue withdrawal cards, and can it be done at the discretion of the secretary, without any action by anybody else under your constitution and bylaws?

Mr. MANN. Well, when one is going out of the industry for a while, or he is promoted to a salaried job, he can come in and apply for a withdrawal card. He is granted that withdrawal card, and if he ever returns back as a working man and comes under the jurisdiction

of the union, he places his withdrawal card back into the union and he doesn't have to pay any initiation fee whatsoever, but on the withdrawal card he receives all of the benefits as before.

Senator McNAMARA. You are trying to say to me that anybody that walks up to the secretary and says, "I want a withdrawal card," has it handed to him without any question and he does not have to pay any dues any more?

Mr. MANN. He has to pay whatever the local charges for that.

Senator McNAMARA. About \$2 a year or something like that?

Mr. MANN. On withdrawal cards he pays more than that.

Senator McNAMARA. How much?

Mr. MANN. He would pay at least the international per capita and probably have to pay whatever the costs of handling the withdrawal card are.

Senator McNAMARA. You are saying now, under oath, I take it, that all a member of your organization has to do is walk up to the secretary and tell him he wants a withdrawal card, and he makes it out, and then he pays the reduced amount of dues from then on; is that right?

Mr. MANN. Yes, and he can get that withdrawal card provided he is not going to be working under the jurisdiction of our local.

Senator McNAMARA. Who decides that he is entitled to the withdrawal card? Is it just the secretary or is it the function of the executive committee or is it the rank and file? Who decides that?

Mr. MANN. The secretary would really know and he would not have to take that up with any board, whether he would be entitled to a withdrawal card or not. The secretary would know that he has probably been promoted to a salaried job, probably a foreman or something, and he was not going to do any work.

Senator McNAMARA. It was up to the judgment of the secretary?

Mr. MANN. I would say so.

Senator McNAMARA. That is according to your bylaws?

Mr. MANN. I think that would be it.

Senator McNAMARA. I do not think it is. You have been a member 25 years and you ought to know more about your bylaws. That is all, Mr. Chairman.

The CHAIRMAN. Mr. Kennedy, you may proceed.

Mr. KENNEDY. That is all.

The CHAIRMAN. I wanted to ask you one other question.

Were any charges ever preferred against you whatsoever?

Mr. MANN. No.

The CHAIRMAN. Have you drawn any benefits from the union on either pension or welfare funds since you were discharged?

Mr. MANN. Since I was discharged, no. I haven't drawn anything.

The CHAIRMAN. Do you have anything coming now? Do you have any evidence from the union in any way that you have any rights to participate in welfare funds?

Mr. MANN. According to the international constitution the way it is written, I don't have any rights to anything anymore.

The CHAIRMAN. In other words, after serving for 25 years, a quarter of a century, they fired you without charges and now you have no rights and no funds accumulated and no benefits coming to you. Is that what you are testifying to?

Mr. MANN. That is what I testified to.

The CHAIRMAN. Are there any further questions?

Senator McNAMARA. Mr. Chairman, it is a little confusing to me. Was he fired, or did he go to the secretary and ask for a withdrawal card? Which was it? You have both ways in the record.

Mr. MANN. I was asked to resign.

Senator McNAMARA. And you went to the secretary and asked for a withdrawal card?

Mr. MANN. I was told to resign.

Senator McNAMARA. You were told to resign. Are you now trying to say that you were afraid not to resign, and it was through fear that you resigned? Is that what you are saying?

Mr. MANN. I was told to resign and I had to. Pressure was on.

Senator McNAMARA. If you did not resign, what happens?

Mr. MANN. If I did not resign, well, I probably might have got shot.

Senator McNAMARA. That is what you are saying, through fear, you were forced to resign, but you were not fired. You resigned.

Mr. MANN. They drew up my resignation themselves, and they wrote it.

Senator McNAMARA. And you signed it?

Mr. MANN. I was told to sign it.

Senator McNAMARA. And you did sign it?

Mr. MANN. I did sign it.

Senator McNAMARA. Then you were not fired; you resigned.

Mr. MANN. Well, put it any way you want to.

Senator McNAMARA. I want to put it the way it is, and you are under oath and you are supposed to put it the way it is.

Mr. MANN. I resigned under pressure.

Senator McNAMARA. That is the way to leave it then.

The CHAIRMAN. Is this the telegram that was presented to you when you were told to resign?

Mr. MANN. That is the one.

The CHAIRMAN. Will you identify it please, and make this exhibit 36.

The CHAIRMAN. That exhibit may be printed in the record at this point.

Did you have any desire to resign?

Mr. MANN. No, sir.

(The telegram referred to was marked "Exhibit No. 36" and is as follows:)

GILBERT MANN,

President,

8 North Ogden Avenue;

Pursuant to article XXIII, section 5 (A), international constitution, vice president George Stuart has been appointed special trustee over local 100 by the general executive board, effective immediately.

Your functions as officers of the local have terminated and are vested in the trustee. A hearing will be held by the general executive board on the subject of retaining the trusteeship on February 1, 1955, at 8 North Ogden Avenue, Chicago.

All interested parties will be heard at that time. Pursuant to article XXIII, section 5 (B) international representative John Warwick has been designated as hearing officer. You are directed to cooperate with the trustee in the enforcement of article XXIII, section 5 (C) and (D).

GENERAL EXECUTIVE BOARD, BAKERY & CONFECTIONERY
WORKERS INTERNATIONAL UNION OF AMERICA,

By JAMES G. CROSS, *International President.*

The CHAIRMAN. You said something about you were afraid. When you got your orders to resign, did this man Stuart have the gun in his hand at that time?

Mr. MANN. He had it and I don't know where he had it. He had his hand in his pocket and I saw the gun and he showed it to me, and he said, "I have got your gun out of your desk," and he had my shells, too. It was a .25 automatic that shot nine times, and it shoots straight, too.

Senator McNAMARA. I wonder if the gun was legally there. Did you have a permit?

Mr. MANN. I think that I explained it, it was left by my brother who went into a veterans' hospital.

Senator McNAMARA. You explained it was left by your brother, but was it a registered gun, one that had a permit issued for it?

Mr. MANN. I didn't have any permit for it.

Senator McNAMARA. You do not know whether your brother had or not?

Mr. MANN. I could say that it was his gun and it was brought in there by the business agents and left there, and his clothes were put in the back room and the gun and shells and a few other things were put in my desk.

Senator McNAMARA. Certainly it was convenient for the people who wanted to use it to intimidate you with.

The CHAIRMAN. Are there any further statements that you wish to make about this?

Mr. MANN. That is about all of the statements I have. I think I have told about everything the way it happened.

The CHAIRMAN. Are there any other questions?

Mr. HARRIS. Mr. Chairman.

The CHAIRMAN. Just a moment. You may stand aside, Mr. Mann.

Mr. HARRIS. Mr. Chairman, before the witness is excused, I am arising pursuant to rule 11 of the rules of the committee.

The CHAIRMAN. Will you identify yourself?

Mr. HARRIS. My name is Abraham J. Harris and I am appearing here as counsel for Mr. James G. Cross, who is president of the international union, and who is a person who is the subject of an investigation in these hearings.

Rule 11, Mr. Chairman, as you know, provides that any person who is the subject of an investigation in public hearings may submit to the chairman of the committee questions in writing for the cross-examination of other witnesses called by the committee.

The CHAIRMAN. You may do so and you may submit your questions.

Mr. HARRIS. I would like at this time——

The CHAIRMAN. Will you submit your questions?

Mr. HARRIS. I would like to submit four questions that I have written down for that purpose.

The CHAIRMAN. All right.

Mr. HARRIS. May I make one other request, Mr. Chairman?

The CHAIRMAN. Let us see your questions first.

The Chair would like to ask counsel a question, please, sir.

Mr. HARRIS. Yes, sir.

The CHAIRMAN. Now, before the Chair asks the committee to pass upon these questions, as you understand under the rule it is in the discretion of the committee as to whether it will ask the questions. You appreciate that?

Mr. HARRIS. I appreciate that that is what the rule says and whatever the committee does is within its descretion. I appreciate also the fact that the reason the committee put this rule in its rules is that it wanted to be fair to persons who are the subject of investigation before this committee.

The CHAIRMAN. That is right, and the Chair only wants to ask you 1 or 2 questions. As counsel for Mr. Cross, will you now assure this committee that when he appears on the witness stand, he will appear and answer pertinent questions this committee propounds to him regarding his own conduct?

Mr. HARRIS. I think that is a rather broad question.

The CHAIRMAN. Very broad and very inclusive.

Mr. HARRIS. In relation to the very questions I have asked which go to the local 100 in Chicago and its trusteeship. However, if the Chair puts that question, I will say yes, Cross, so far as I now know.

The CHAIRMAN. Will you check with him? Is he present?

Mr. HARRIS. We will answer all pertinent questions.

The CHAIRMAN. Is Mr. Cross present?

Mr. HARRIS. Yes, he is.

The CHAIRMAN. Will you check with him and ask him to authorize you to make that statement?

Mr. HARRIS. Yes, I will.

(Mr. Harris conferred with Mr. Cross.)

Mr. HARRIS. Mr. Chairman, Mr. Cross will answer all questions put to him which are pertinent within the scope of the inquiry as authorized by the resolution setting up this committee.

The CHAIRMAN. Well, of course, the committee decides what is pertinent and you understand that, do you not? If there is any question raised, it is submitted to the committee.

Mr. HARRIS. The committee can decide that for itself, and Mr. Cross I believe, with the advice of counsel, can decide that for himself.

The CHAIRMAN. That is true, but you know, now, I want to tell you this very frankly: I am not going to let Mr. Cross or anyone else use this committee and then not cooperate with it.

Mr. HARRIS. Nobody is using this committee, sir, and we have been, as you know, as the committee staff knows—Mr. Cross has been very cooperative throughout this investigation. Everything the committee staff has asked for has been turned over to this committee without any question.

The committee has more documents, I believe, than Mr. Cross does relating to this subject. In that connection, Mr. Chairman, the one other request I wanted to make in connection with Mr. Mann's testimony is that there is an audit report which has been furnished to the committee and it is Gefters report, dated January 18, 1955, addressed to Curtis R. Sims, general secretary-treasurer of the international union, relating to the conduct of local 100.

The CHAIRMAN. We have the document.

Mr. HARRIS. I trust that will be made a part of the record of this morning's hearings?

The CHAIRMAN. We will get to that and let Mr. Cross testify to it.

Has this document or this audit report, a copy of it, been provided Mr. Mann?

Mr. HARRIS. That I don't know, sir.

The CHAIRMAN. Will you check and find out? Mr. Cross should know. You want us to ask him questions and let us see if he is equipped with the documents.

Mr. HARRIS. I will find out, sir.

(Mr. Harris conferred with Mr. Cross.)

Mr. HARRIS. As I understand it, sir, Mr. Mann was not given a copy of this report, but was orally told of the findings of Mr. Gefter.

The CHAIRMAN. You see. The Chair will resolve this with the approval of the committee very quickly.

Mr. Mann, you may stand aside and remain subject to recall and when Mr. Cross testifies, if he cooperates with this committee, the Chair then will, with the permission of the committee, direct these questions to you in his presence.

Mr. MANN. All right.

The CHAIRMAN. Call the next witness.

Mr. HARRIS. May I ask one thing more, Mr. Chairman?

You have been quite indulgent and I ask you to indulge me in one thing more. Under rule 11—

The CHAIRMAN. In the meantime, I am going to direct you to supply a copy of that report to Mr. Mann.

Mr. HARRIS. We will give Mr. Mann a copy.

Under rule 11 permitting cross-examination, as I understand it, the only effective way a witness can be cross-examined is to be cross-examined promptly while he is on the stand, immediately after his direct examination rather than as a rebuttal witness. We all know it is a truism that defenses never catch up with accusations, and what goes out of here now is Mr. Mann's testimony not subject to any cross-examination, and Mr. Cross comes on, I don't know when, either later today or tomorrow, and whatever he testifies about, and Mr. Mann's cross-examination thereafter will be anticlimax. The headlines will already have gone out, and therefore, I would think that in the spirit of rule 11 which this committee has made a part of its rules, Mr. Mann should be cross-examined now.

The CHAIRMAN. All right. Bring Mr. Cross around.

Will you be sworn, please. Do you solemnly swear that the evidence you shall give before this Senate select committee will be the truth, the whole truth, and nothing but the truth, so help you God?

TESTIMONY OF JAMES G. CROSS, ACCOMPANIED BY HIS COUNSEL, ABRAHAM J. HARRIS

Mr. Cross. I do.

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. Cross. James G. Cross, president of the Bakery and Confectionery Workers International Union of America, and I reside at 7420 Hampton Lane, Bethesda, Md.

Mr. Chairman, may I read an opening statement?

The CHAIRMAN. Not until you state your business or occupation. The purpose of calling you at this time, sir, is to get what coopera-

tion the committee can expect from you, and I expect you to testify under oath so that we will know.

Mr. CROSS. I am sorry, Mr. Chairman, I thought that I said I was president of the Bakery and Confectionery Workers International Union of America.

The CHAIRMAN. Do you have a statement?

Mr. CROSS. I do, which I have presented to the committee prior to today.

The CHAIRMAN. All right. At the proper time we will hear your testimony, then you will be privileged to read that statement. But for the present I want to be very fair to you, and if anything has been testified here today that you intended to refute, and if you thought these questions that your counsel has submitted might refute them, I simply want to determine and have you make this statement under oath that in the course of the committee's interrogation of you, when we call you for your principal testimony do you intend to cooperate with this committee and give it all the information within your knowledge that is pertinent to this inquiry, and to the affairs of the Bakery Union International and the locals under your jurisdiction?

(The witness conferred with his counsel.)

The CHAIRMAN. I want you to state under oath unequivocally that you will do that.

Mr. CROSS. Well Mr. Chairman, it certainly is my position to cooperate in every manner with this committee, as I have in the past with your staff. Certainly I will answer all questions that are pertinent to this particular investigation under the authority granted under the resolution setting up this committee.

The CHAIRMAN. Do you mean by that including your use of and appropriation and expenditure of union funds, both the international and the local unions under its jurisdiction or any other subdivisions under its jurisdiction?

Mr. CROSS. Well, Mr. Chairman—

The CHAIRMAN. Here is all I want to know. Let us shorten it. If you are going to come on the stand when we go to interrogate you and start taking the fifth amendment, I am not going to grant you any courtesy in connection with this, unless the committee overrules me. That is, very frankly, we just want to find out what the score is.

Mr. CROSS. Mr. Chairman, let me assure you it has never been my intention to take the fifth amendment in front of any duly constituted body.

The CHAIRMAN. And it is not now?

Mr. CROSS. It is not now.

The CHAIRMAN. All right, you may stand aside. We will call Mr. Mann. That is all I wanted.

TESTIMONY OF GILBERT MANN—Resumed

The CHAIRMAN. Mr. Mann, counsel for Mr. Cross has submitted some questions here that he would like to have the committee ask you. The Chair has examined them, and I think other members of the committee are familiar with them. The committee has agreed under its rule that it would be proper for the committee to ask you these questions. I propound to you the first question submitted.

This is a question asked you by counsel for Mr. Cross, and asked by the committee at his request. Listen to the question:

Is it not true that during the year 1954 you pursued the practice of taking your salary and expenses for weeks in advance as found by the audit conducted by the international representative, David Geffter?

Mr. MANN. That is true. I took 2 weeks in advance of my salary, but I never received any more. I took 2 weeks advance in my salary and I was short of money and I took 2 weeks advance on my salary.

The CHAIRMAN. The Chair will ask you this question: Did you do that with the knowledge of your union, the executive board of your union?

Mr. MANN. My executive board knew about it, but it was something that we sometimes granted, and we sometimes granted that privilege to the business agents, or maybe the girls in the office if they were short, or something. I did take 2 weeks salary in advance, in August; yes.

The CHAIRMAN. You took two weeks salary in advance, and you granted that privilege or accorded that privilege to others? You had accorded that courtesy, you say, to others employed in the local?

Mr. MANN. Yes, sir.

Mr. KENNEDY. I would like to say in that connection, Mr. Chairman, that my conversation with Mr. Mann the other day was to the effect, and he volunteered this information, that this was one of the items that had been brought up, as well as the automobile.

The CHAIRMAN. All right. Now, the Chair—

Senator CURTIS. May I ask, did you receive more in total than you were entitled to?

Mr. MANN. No; I just received \$175, and my expenses, and then I never received any more money until it was time for me to receive my check again. I think that I explained that to Mr. Kennedy.

The CHAIRMAN. You mean it was paid back at the next payday?

Mr. MANN. I didn't pay anything back, I drew two weeks salary in advance, and then I had to wait until it was time for me to have another check, that I had earned. But I did not draw any money during that time.

The CHAIRMAN. At the next payday you didn't draw any money?

Mr. MANN. I didn't draw any for 2 weeks, any money.

The CHAIRMAN. In other words, within one month's time, the books were balanced again, is that what you are saying?

Mr. MANN. Yes, sir; the books were balanced.

The CHAIRMAN. What I am trying to determine is this: You were drawing your salary each 2 weeks, is that right?

Mr. MANN. No, I drew my salary every week, and I had some work done on my home and I drew 2 weeks in advance. I drew that 2 weeks in advance, that money, and I didn't draw any money, any more money then until I had my salary coming.

The CHAIRMAN. In other words, it was just a temporary advance until your next check time came around?

Mr. MANN. Yes.

The CHAIRMAN. So the next week you drew nothing?

Mr. MANN. Yes, sir.

The CHAIRMAN. And the third week you drew your salary again?

Mr. MANN. The third week I drew my salary, as it was coming to me.

The CHAIRMAN. But for those 2 weeks that you took in advance, you drew nothing?

Mr. MANN. I drew nothing.

The CHAIRMAN. Here is the next question propounded by counsel for Mr. Cross:

Is it not true that the executive board decided to buy a car for the union to which you took title in your name, and on which you subsequently borrowed money?

Mr. MANN. The executive board selected 4 men, a committee of 4, to go out and buy me a car, and they bought the car of my own choosing and ordered the car bought in my name and title, and licensed in my name, and the union insured the car.

The CHAIRMAN. In whose name?

Mr. MANN. The car was insured in my name, and the union paid for that car. That is true, that went on. The union had a motion made that they were to buy a car every year but in the 18 years we only bought 11 cars, and they were all bought the same way. But the executive board knew how the car was bought every year, and it was reported and it was on the financial pages of our day book, and it was on the financial statements every month, that hung on the walls in the hall.

The CHAIRMAN. For how many years did the union or the local buy a car in your name?

Mr. MANN. It started in 1937 and they bought 4 Dodges, and then 4 Chryslers, and 3 Cadillacs—11 cars.

The CHAIRMAN. All of these were bought in your name?

Mr. MANN. All of them were bought in my name.

The CHAIRMAN. I have here before me a photostatic copy of a document signed by you on February 12, 1947, signed by you as president and secretary-treasurer. It is addressed to the executive board of Factory Bakers and Union Local 100. I ask you to examine that photostatic copy and see if you identify it.

Mr. MANN. That was not only one, but there were a lot of those signed.

The CHAIRMAN. Each year you signed one of them?

Mr. MANN. Well, I didn't sign the last 2 years, because the executive board decided, and of course I don't know how it was put in the minutes, but the executive board decided it wasn't necessary for me to do that. I was told that.

The CHAIRMAN. The Chair reads this—You say several of these were signed as you got cars?

Mr. MANN. Yes, sir.

The CHAIRMAN. This may be made exhibit No. 37.

The CHAIRMAN. This is dated February 12, on Factory Bakery Union Local 100 stationery, and the year is 1947:

(The document referred to marked "exhibit No. 37" and is as follows:)

Executive Board, Factory Bakery Workers Local Union 100

In the event of my death, or removal from the office of president and secretary-treasurer of Factory Bakers Union Local No. 100, the ownership of the Chrysler automobile, serial No. 7038587, motor No. C39-19123, model New Yorker, which was purchased on Thursday, February 6, 1947, from the Stoney Island Motor Sales Co., will revert to Factory Bakers Union Local 100.

GILBERT MANN,
President and Secretary-Treasurer.

Mr. MANN. There were several of those signed.

The CHAIRMAN. Now I will ask you the next question submitted by counsel for Mr. Cross.

Mr. HARRIS. Mr. Chairman, may I respectfully suggest that Mr. Mann did not answer the last part of the previous question, namely, did he make a personal loan on this automobile that belonged to the union.

The CHAIRMAN. I think you are correct.

Mr. Mann, you have answered about the purchase of the car, the title of the car being in your name. The last part of the question is, "to which you took title in your name, and on which you subsequently borrowed money."

Now, did you borrow money on the car?

Mr. MANN. Yes, sir; I borrowed \$500 on the car. That was with the understanding that I told the executive board what I was going to do with the money, many of the members of the executive board. They knew it.

The CHAIRMAN. They knew about that?

Mr. MANN. Yes; and I can prove that.

The CHAIRMAN. I am not saying it is proper or improper but you did borrow money on it, you say, with the knowledge of the executive board?

Mr. MANN. Yes.

The CHAIRMAN. Here is the next question :

Is it not true that you set up an illegal health and welfare plan with the Sawyer Biscuit Co.?

Mr. MANN. We set up with the Sawyer Biscuit Co. a health and welfare plan and that health and welfare plan that we set up was honestly conducted by the members working in that plant. Of course, the international president, Mr. Cross, did not like that very well. He wanted the international health and welfare plan in there. Naturally, after I was out of office, there was no charge for the union for conducting that health and welfare fund and it was run and the employees in the plant, the employees in the plant had decided all of the money was to be paid out. It was their policy.

The CHAIRMAN. The thing revolves around whether it was illegal.

Mr. MANN. I have to disagree. It was not. It was legal. I would say so far as I know, that was legal.

The CHAIRMAN. You said "We set up." Who do you mean by "we"?

Mr. MANN. The employees desired to set that up with management, and management contributed to that, and that was all put in to a fund for the employees.

The CHAIRMAN. Did the union members contribute anything to the fund or was it all a management fund?

Mr. MANN. It was an understanding between the union and management that management would pay into that fund.

The CHAIRMAN. Well, I am asking you again, did the union members pay into that fund, or was all of the fund coming from management sources?

Mr. MANN. Well, it was understood in the negotiations that the employer would deduct 5 cents from the union members and it would be placed in this fund.

The CHAIRMAN. Now, was it 5 cents or 5 percent?

Mr. MANN. It was 5 cents on the hourly rate.

The CHAIRMAN. Five cents on the hourly rate?

Mr. MANN. Yes, sir. Of course, I don't have any notes here to just come out and explain exactly, Senator McClellan, but I am doing the best I possibly can.

The CHAIRMAN. At any rate, was this a secret arrangement, or did all of your members and all of your board know about it?

Mr. MANN. Everybody knew about it, and I received no money whatsoever out of that fund, or none of the officers of local 100.

The CHAIRMAN. The officers received no salary, and no expenses, or anything from this fund?

Mr. MANN. Not from that fund.

The CHAIRMAN. Who administered it?

Mr. MANN. The fund, you mean?

The CHAIRMAN. Yes.

Mr. MANN. There were employees who were trustees. A trustee was set up of the employees, and they elected whoever they wanted.

The CHAIRMAN. You mean the employees administered the fund through a trustee selected by them?

Mr. MANN. Yes, sir.

The CHAIRMAN. And not by the officers of the union?

Mr. MANN. Well, I was supposed to be president of that, and see to it that the union would back them up in that, but there was nothing illegal about anything. It was all honestly conducted.

The CHAIRMAN. Here is the last of the four questions:

Is it not true that you used union funds to pay large personal bills you ran up at motels or hotels—I will make that apply to both—including bills for liquor?

That is the question.

Mr. MANN. Well, now, I had lots of conferences in hotels, and naturally there were bills there, and it was understood during negotiations with the A. & P. when I was negotiating there I was criticized on that, that when the committee met the employers would buy the dinner one day, and if we met the next time, the union would pay for it in the hotels, and naturally when those boys went to dinner they generally had a drink, and I am not saying that they didn't. It was understood that was a policy of local 100. It was done during all negotiations, and there were many conferences and many, many times I had to do that.

The CHAIRMAN. You are talking about negotiating contracts?

Mr. MANN. Yes, sir.

The CHAIRMAN. When you are negotiating contracts with management?

Mr. MANN. When we negotiated contracts with management, especially with the A. & P. Now these are executive board members, 10 of them on the committee, the executive board members of local 100. It was understood and agreed by our executive board all of the way through that the union would buy their lunches and dinners while they were in negotiation.

The CHAIRMAN. If I understand you now, in the course of negotiating contracts when you were in conferences and carrying on negotiations, maybe one day management or the company would treat you all

to dinner, the union members, and the next day you all would treat them, is that right? Is that what you are saying?

Mr. MANN. We all would buy it one day. And they all would buy it the next day.

Senator ERVIN. Mr. Chairman, this is not only a good southern word, but it is a good word in the King James version of the Bible. There is one other good word, and that is "Amen."

The CHAIRMAN. This is directed to your personal affairs, and not to union entertainment or union expenses. Listen to the question again.

Is it not true that you used union funds to pay large personal bills that you ran up at hotels or motels, including bills for liquor?

We are talking about your personal affairs, disassociated from any union conferences or negotiations. We are talking about your personal affairs.

Mr. MANN. It was not personal. I would say that there are a lot of times that we had conferences and things, and I had many conferences on agreements and things like that, and there was liquor bought, and there always was. But for my personal stuff, I spent my own money.

The CHAIRMAN. As I understand you now, and this is under oath, you never used union money except to purchase liquor or to pay hotel and motel bills, except that it was union business. Is that right?

Mr. MANN. That is right. It was always union business.

The CHAIRMAN. Now, when you took a little fling of your own, or you had business of your own, personal business, and maybe bought some liquor or ran up a bill at a hotel or motel, did you pay that with union funds?

Mr. MANN. Senator McClellan, I had a small expense account, and when I went out of office I had \$175 a week, and I didn't have anything. I spent my money as well.

The CHAIRMAN. That doesn't answer the question. You could spend your money and some of the union's, too.

Mr. MANN. I would say that whatever I spent, it was always for union business, and I had necessary expenses. They were granted to me by the union.

The CHAIRMAN. I don't know how much you spent now, but bear this in mind, and the committee members I am sure bear this in mind, that we do have testimony here of some very large expense items, some of questionable nature in connection with this union. I want to determine whether you have been participating in that kind of expenditure of union funds.

Mr. MANN. Well, our executive board, I live at Round Lake, Ill., and our executive board knew where I lived. Whenever the weather was bad, the executive board had no objections to me taking a room in a hotel, and it was put on organization expenses in the union.

The CHAIRMAN. It was put on organizational expenses?

Mr. MANN. It was necessary expenses, and we just put it on organization expenses.

The CHAIRMAN. You didn't put it under entertainment?

Mr. MANN. It wasn't entertainment.

The CHAIRMAN. Well, I don't know. We do have some cases where I think it is purely entertainment, and that is what I am trying to find out from you.

Mr. MANN. I entertained sometimes and I had these expenses. Whatever I felt was on the executive board, if I felt it was necessary for entertainment, and for the good will of the organization, I was granted that.

The CHAIRMAN. Are there any further questions?

Senator McNAMARA. There was a document submitted indicating that while title of the Chrysler New Yorker in 1947 was in your name, you had signed a document that was here submitted indicating that until you died, this car was to be continued in your name. Was this the car that this document referred to on which you borrowed the money, or was it a subsequent car?

Mr. MANN. No; I borrowed no money on this car.

Senator McNAMARA. You borrowed no money on this car?

Mr. MANN. No, sir.

Senator McNAMARA. Did you have a similar document, or did you sign a similar document to this one on the car that you borrowed money on?

Mr. MANN. I had a 1954 car that I borrowed the money on, and it wasn't on that one. From what I best remember, the question was asked about a 1937 New York Chrysler.

Senator McNAMARA. I think it was 1947.

Mr. MANN. I wasn't in office in 1947.

Senator McNAMARA. Where is the document?

The CHAIRMAN. It is a 1947 car.

Senator McNAMARA. This document was signed in 1947?

Mr. MANN. Yes; that is true, I am wrong about 1937. It was 1947, a Chrysler, and there was no money borrowed on that car.

Senator McNAMARA. Then did you sign a similar document on the subsequent car that you borrowed money on?

Mr. MANN. Not on the 1952 or the 1954 car; no.

Senator McNAMARA. Then according to all of the papers in existence, this car was bought by the union and turned over to you, and the title was in your name.

Mr. MANN. Yes, sir.

Senator McNAMARA. Now, you said the license was in your name, and naturally the license would be in your name, and you are talking about the driver's license or what license?

Mr. MANN. As far as the driver's license is concerned, I could drive any car, but I am talking about the State license.

Senator McNAMARA. The registration?

Mr. MANN. The State license.

Senator McNAMARA. The State driver's license or the registration.

Mr. MANN. My State driver's license would permit me to drive any car.

Senator McNAMARA. But you mentioned that the union arranged to have the license for the car put in your name. Were you talking about the license plates?

Mr. MANN. Absolutely.

Senator McNAMARA. Then apparently this document has no bearing on the borrowing of the money on this car.

The CHAIRMAN. This particular document does not, but I believe the witness said, and I think the staff has several of them, and I just

used that as an example, but the witness says in that year, 1954, when he borrowed the money on that car, that he had not executed a document of this character to the board at that time.

Senator McNAMARA. So apparently he had every right to borrow money on the car.

Mr. MANN. I had no document for that at all.

Senator McNAMARA. That was the point.

The CHAIRMAN. Any other questions of this witness?

Thank you very much, Mr. Mann. You will remain here, because maybe we may require some further testimony from you.

Mr. KENNEDY. Could I ask the attorney, Mr. Harris, a question?

When these charges were made against Mr. Mann, was he permitted the same rights that were permitted to Mr. Cross in this connection, namely, the right of cross-examination of those who made charges against him? Was Mr. Mann permitted to cross-examine or have some one to cross-examine?

Mr. HARRIS. Are you talking about under your committee rules?

Mr. KENNEDY. Under our committee rules, we allow you to submit questions, which were asked of Mr. Mann in the manner of cross-examination.

Now I am wondering about whether, based on the charges that were made against Mr. Mann, by the bakers union, whether they allowed Mr. Mann the opportunity to cross-examine.

Mr. HARRIS. At that time when Mr. Mann was asked to resign?

Mr. KENNEDY. Any time when he was asked to resign.

Mr. HARRIS. You are not referring to here before this committee?

Mr. KENNEDY. Was he allowed to cross-examine?

Mr. HARRIS. I will have to say I don't know, and I will have to consult Mr. Cross.

The CHAIRMAN. We can ask Mr. Cross that when we put him on the witness stand. The question will be directed to Mr. Cross, and he has been sworn.

Mr. Cross, was the same privilege accorded to Mr. Mann when he was directed or ordered to resign, that was accorded to you and your counsel here, and did he have the opportunity and was he permitted to cross-examine his accusers?

TESTIMONY OF JAMES G. CROSS, ACCOMPANIED BY HIS COUNSEL, ABRAHAM J. HARRIS—Resumed

Mr. Cross. He could have, Mr. Chairman, except he was never charged or accused of anything, and he resigned. In a subsequent hearing, on the question of trusteeship, every member of the organization was given a right to appear and ask questions and give testimony.

The CHAIRMAN. We will go into it further when you testify. Who is the next witness?

Mr. KENNEDY. Mr. Joseph Kane.

The CHAIRMAN. You do solemnly swear that the testimony you shall give before this Senate select committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. KANE. I do.

TESTIMONY OF JOSEPH G. KANE

The CHAIRMAN. State your name and your place of residence, and your business or occupation, please, sir.

Mr. KANE. Joseph G. Kane, 18 Buffalo Street, Elmont, Long Island, and I am president of Local 525, Bakery and Confectionery Workers, International Union of America, AFL-CIO.

The CHAIRMAN. Mr. Kane, have you talked to members of the staff?

Mr. KANE. I have.

The CHAIRMAN. You know then, generally, the information that the committee desires to obtain from you?

Mr. KANE. I do, sir.

The CHAIRMAN. You also know that you have a right to counsel while you testify, to advise you with regard to your legal rights?

Mr. KANE. I do, sir.

The CHAIRMAN. Do you waive counsel?

Mr. KANE. I do, sir.

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. I would like to discuss with you briefly, Mr. Kane, or before we get into that tell us what your background has been and how long you have been with the bakers union.

Mr. KANE. I was first elected president of the union that I now represent, as a CIO affiliate in 1941. In the year of 1949 we disaffiliated with the CIO, and affiliated with the Bakery and Confectionery Workers International Union, and I was elected president of the local union at that time.

I have represented the same people from 1941 with a space of time out that I served in the United States Marine Corps in 1943 to 1945.

Mr. KENNEDY. And how long have you been a baker?

Mr. KANE. I was a baker for a short time, $3\frac{1}{2}$ years, from 1937 to 1940, to late 1940.

Mr. KENNEDY. How many members does your union have?

Mr. KANE. At the present time we have approximately 1,400 members.

Mr. KENNEDY. Do you have an election every year?

Mr. KANE. We have a secret ballot election every 2 years.

Mr. KENNEDY. How do you run that, the secret ballot election?

Mr. KANE. Nominations for offices are taken at a membership meeting from the floor, with everyone having the right to nominate, and nominations are encouraged, and opposition encouraged, and within a 5-day period afterward we have a secret ballot election with machines from the union voting machine in New York conducting the elections, with the rank and file committee selected by the members and voted by the members from the membership.

Mr. KENNEDY. Do you have opposition?

Mr. KANE. Yes, too much.

Mr. KENNEDY. How long have you been elected?

Mr. KANE. I have been elected the year before this, and I will run for office again in January of next year. If the Lord spares me.

Mr. KENNEDY. How many votes are cast in your election?

Mr. KANE. Out of the 1,350, approximately, eligible votes, at the last election, there were between 1,150 and 1,200 votes cast.

Mr. KENNEDY. And you had someone running against you?

Mr. KANE. That is right.

Mr. KENNEDY. How many votes did he have, what was the breakdown of votes?

Mr. KANE. I received something like 900, in the neighborhood of 925 or 927.

Mr. KENNEDY. You were present in California at the recent convention of the bakers union?

Mr. KANE. Yes, sir; I was.

Mr. KENNEDY. That was in October?

Mr. KANE. In October of last year.

Mr. KENNEDY. In San Francisco?

Mr. KANE. In San Francisco.

Mr. KENNEDY. At that time, there were certain changes made in the constitution of the bakers union?

Mr. KANE. Yes, sir.

Mr. KENNEDY. Are you familiar with those changes?

Mr. KANE. Yes, sir.

Mr. KENNEDY. They were changes made from the floor?

Mr. KANE. Not necessarily from the floor. They were discussed on the floor and in committee. They were discussed on the floor very shortly. But these changes were drawn up and constitutional amendments made to the constitution and circulated among local unions from last July, or the July prior to the convention. Approximately 75 local unions coming from cities in northern Canada to the border of Mexico, and in the east and west borders, as far east as Newfoundland, drew up the same identical constitutional changes and submitted them to the convention and on the second day of the convention with a prepared convention booklet, or manual of these changes, and made the changes.

Mr. KENNEDY. Were these changes in the constitution to install more democratic procedures within the bakers union?

Mr. KANE. Of course not, sir.

Mr. KENNEDY. Was it your judgment that it is to the contrary?

Mr. KANE. In my judgment, and certainly the new printed constitution so shows, it was very undemocratic, and took the rights away from the rank-and-file members through their representatives on the international executive board.

Mr. KENNEDY. Could you discuss with the committee some of the changes that you were critical of that were made?

Mr. KANE. I would be glad to.

Mr. KENNEDY. And how you think it affects the rights of the individual members of the union?

Mr. KANE. I will be glad to, sir.

If you will excuse me a moment, sir, I will get some of the facts in order.

In the first place, the old constitution stated that a committee would be selected as a committee of duly elected delegates, who would be set up as a rules committee and audit committee, and they would be submitted to the convention for its approval. This committee was notified to appear at the convention city 2 days prior and before the convention went into session they went into session and they took up one constitutional change. That constitutional change took away

from the rank-and-file members of this international union the right to vote for its international officials. They came with that resolution the first day, and it set forth the election of officers on the third day of the convention. I will dwell on that a little later when I come to that portion of the constitution.

I would like to let the committee know that the control of the convention, of future conventions, it took away the democratic rights of the membership to have anything to say about it and gave the power to one man. In the old constitution, it stated that a committee of three shall be appointed by the international president subject to the approval of the general executive board. This new constitution says that a committee of three shall be appointed by the international president from the duly elected delegates of the convention, and reported to the general executive board.

There is a big difference in having their approval and just reporting to them who this committee will be. This committee shall constitute the standing committee on credentials, auditing rules and order of business, and the committee on committees, and it shall convene 5 days prior to the convention.

That is one of the controls of the convention taken away.

The CHAIRMAN. How many are on the general executive board?

Mr. KANE. I think there are 18 now, sir; 16 vice presidents and 2 executive officers.

The CHAIRMAN. Then the change made in the rules, prior to the last convention, as I understand it, is that the president appointed the committee subject to approval of the executive board.

Mr. KANE. Yes, sir.

The CHAIRMAN. In other words, they had some veto power over it.

Mr. KANE. Yes, sir.

The CHAIRMAN. The change made was from approval to simple directing him to report to the board who they were?

Mr. KANE. That is right.

The CHAIRMAN. You think that impaired the democratic processes and rather concentrated power in the president?

Mr. KANE. I do, sir.

The CHAIRMAN. Who initiated that change, do you know?

Mr. KANE. Well, this constitution, the proposed constitution the way I understand it, came into my possession some time in August. It was drawn up by the international president and the attorney for the union and presented to the general executive board with all of the changes, and then they proposed the constitutional resolutions that would go to the convention.

The CHAIRMAN. In other words, are we to understand that the executive board approved the proposed change?

Mr. KANE. Yes, sir.

The CHAIRMAN. So therefore the executive board in effect by its recommendation desired to surrender its right of approval but simply just get notice of who the president has appointed?

Mr. KANE. Yes, sir; its right to represent the rank-and-file members and turn it all over to one man.

Senator McNAMARA. While there is an interruption, may I go in to it a little bit.

This 1956 convention is the one that you referred to where the rules were changed?

Mr. KANE. Yes, sir.

Senator McNAMARA. From a local union, how many delegates were generally allowed or authorized at the convention, from your local union?

Mr. KANE. Five from ours, and that will give you offhand the number of delegates; 100 shall be entitled to 1; and 200 to 2; and 600 to three; and 600 to 1,000, 4; and 1,000 to 1,400, 5; and it went on up from 3,000 to 3,400, 10 delegates.

Senator McNAMARA. You have no quarrel with that, the representation was all right?

Mr. KANE. That is right.

Senator McNAMARA. Were the delegates from the local unions in the 1946 convention selected through the same democratic processes as your local officers were, with the voting machines and the nominations and all this business?

Mr. KANE. Our delegates, you mean?

Senator McNAMARA. Yes.

Mr. KANE. They were appointed by the executive board and approved by the rank and file. It was from executive board members.

Senator McNAMARA. Then the delegates to the convention were appointed rather than elected?

Mr. KANE. That is right.

Senator McNAMARA. I thought you started out to indicate that your union was very democratic, but now you get into the business of appointing delegates to the national convention, which is really a weakness in the democratic process, isn't it?

Mr. KANE. I agree with you.

Senator McNAMARA. But your local union nevertheless did this according to their local bylaws?

Mr. KANE. They came in as a nominating committee with the delegates, and submitted them to the membership and the membership approved them. If the membership didn't vote on them, they wouldn't do it.

Senator McNAMARA. How did the nominating committee come into existence?

Mr. KANE. From the executive board.

Senator McNAMARA. Then the executive board of the local union, how many members are there, 5 or 6 people?

Mr. KANE. There are 16 on the board.

Senator McNAMARA. Out of their own number did they select the nominating committee?

Mr. KANE. That is right.

Senator McNAMARA. Then this nominating committee recommended 5 delegates from your local union to it?

Mr. KANE. They recommended four. By local constitution the president shall attend all conventions.

Senator McNAMARA. Then they selected the five, and they were given this power by a vote of the local union, I take it.

Mr. KANE. That is right.

Senator McNAMARA. So it was totally democratic?

Mr. KANE. Yes.

Senator McNAMARA. In your estimation.

Mr. KANE. Yes.

Senator McNAMARA. So these delegates at the national convention, that made these changes, that you now oppose, were there in the democratic process that you just went through. They had every right to do this.

Mr. KANE. They had all of the rights, and they knew that the policy of the local union was and they represented the policy of the rank and file union on the convention floor.

Senator McNAMARA. What you are saying in effect is that while it was done in a democratic manner, it was a mistake?

Mr. KANE. Not necessarily, when they expressed the opinion and the will of the rank and file, and the rank and file approved them to go to the convention, with specific instructions on what to fight and what not to fight, and what to approve and what not to approve.

Senator McNAMARA. Then your delegates now were instructed, it develops, not to approve the changes.

Mr. KANE. No, the individual changes weren't submitted to them all, but the local union has a policy to fight dictatorship and to fight corruption and stand as a progressive local union.

Senator McNAMARA. But in spite of this general policy, then they did do this thing that you as an individual or an officer don't think was right?

Mr. KANE. It could have been done, with nominations from the floor, and so on.

Senator McNAMARA. You are talking about your local union?

Mr. KANE. That is right, the local union.

Senator McNAMARA. But it wasn't, and you are not quarreling with the way it was done?

Mr. KANE. No.

Senator McNAMARA. And the convention delegates had every authority to change the rules, even though you think they did it in a mistaken manner?

Mr. KANE. They had a right to do it.

(Committee members present: Senators McClellan and McNamara.)

The CHAIRMAN. Did your delegation vote to change it?

Mr. KANE. No. It could, on this thing; it voted, because it was practically a voice vote, unanimous. It didn't object, but it objected to many of the propositions in this new constitution.

The CHAIRMAN. Proceed.

Mr. KENNEDY. This is a powerful committee that you were talking about; is it not?

Mr. KANE. It is a very powerful committee.

Mr. KENNEDY. It controls the credentials?

Mr. KANE. It controls the credentials, the auditing rules, the order of business, the question of parliamentary law, as I will come to now.

Mr. KENNEDY. In the old constitution, did it stipulate that there should be a list of all delegates elected, that it shall be published in the Bakers and Confectionery's Journal, and any protests against the delegates must be in the hands of the secretary general at least 10 days prior to the convention?

Mr. KANE. Yes, sir; a list shall be published in the Bakers and Confectionery's Journal.

Mr. KENNEDY. That was removed?

Mr. KANE. That was deleted from the present constitution.

Mr. KENNEDY. There is nothing in there at this time; is that right?

Mr. KANE. There is nothing in there.

Mr. KENNEDY. What are the harmful results of that?

Mr. KANE. The harmful results from that is that no one in opposition to the delegates selected, be they people that are representing the international union or on the international payroll, and so forth, no one would have an idea who the delegates would be, to challenge them. In fact, the journal, I think it was the October issue of the journal, did not get to the rank-and-file people in the convention, and we had no right under this last convention to challenge them either.

Mr. KENNEDY. In the former section did it also stipulate that all questions of a parliamentary nature not resolved by this constitution shall be decided according to Roberts Rules of Order?

Mr. KANE. Yes, sir. The old constitution said all questions of parliamentary nature not resolved by this constitution shall be decided according to Roberts Rules of Order.

Mr. KENNEDY. Was that deleted?

Mr. KANE. It was changed, sir. The Roberts section of it was deleted.

All questions of parliamentary law not resolved by this constitution shall be resolved by the parliamentary rules adopted by the convention in session. Until a convention is adopted, those adopted by the preceding convention shall apply.

In other words, this committee of three, selected by the international president, would come in with the rules, or we would be governed by the rules of the last convention.

Mr. KENNEDY. Once again that puts greater power into the hands of the president. Is that right?

Mr. KANE. That is right. In fact, along this line, in discussing one of the issues according to Roberts on a two-thirds vote of the changing of the constitution for the president's salary, there was a debate on this issue. President Cross said:

Now without further ado let us get to the business of the convention for which we are here assembled. We can have rollcalls on every vote as this convention desires and as much debate on the floor as is desired. But let us not get ourselves entangled in things that some of us maybe don't know something about. Parliamentary procedure was made for Senators, not for bakers and confectioners.

I answered him from the floor:

Don't underestimate the intelligence of the baker.

Mr. KENNEDY. What about the election of international officers? Was that changed also?

Mr. KANE. Yes. The election of international officers, going back 70 years, was by referendum vote, or the rank-and-file members voted in January following the convention in a referendum, secret ballot election. Every member must mark his own ballot in secret and deposit the same. This convention changed that, where nominations of all international officers shall be made at large from the floor on the third day of the convention. The election of international officers shall be held immediately following these nominations.

Voting for the office of international president shall be held first and shall be followed by voting of the office of international secretary-treasurer.

I would say this, that in this last convention, we did no business whatsoever, no program was discussed, no platform was discussed, no provisions of the constitution were discussed, until Mr. Cross got himself elected president on the 3 days.

We listened to speeches from employers, we listened to speeches from politicians, and we listened to speeches from "phonies," and then he got himself elected and went on with the business.

Mr. KENNEDY. Just on this question of fact, would you say that this changing of the election of international officers takes away from the rank and file the right to nominate and elect officers?

Mr. KANE. That is right.

Mr. KENNEDY. It leaves it to the convention; is that right?

Mr. KANE. It leaves it to the convention. I would say that in this last case, I hope that in the future bakers conventions it won't be so. It was a controlled convention, because delegates submitted resolutions from local 1 in Chicago going through Phoenix, Ariz.; Hudson County, N. J.; Oakland, Calif.; Calawan, Canada; Moose Jaw, Canada; Portland, Oreg.; Rochester; Quincy, Ill. They controlled 2,989 votes of a total of 5,557 votes, those delegates submitting the resolution, all the same identical resolution on this change, and one of the resolves in this change says—the rank-and-file voting stated this:

Whereas, to continue such an outmoded and outdated procedure can no longer be considered a democratic process, specially costing many thousands of our dollars which is a definite waste of the membership funds.

One of the things that Mr. Cross and his many paid officers talked about as they went around the country was that this was no way to elect because no one knew, of the delegates, no one knew of their achievements.

I have another thing in regard to Cross' opinion. In 1952, March of 1952, I have the Bakers and Confectioner's Journal here. He stated "officially speaking," when he was secretary-treasurer of the union under President William Schnitzler, when he had some democratic blood in his veins:

Our organization retains the basis of pure democracy, even more so than that of the Nation itself. We vote directly for the candidates, where in the Nation we vote for electors pledged to vote for certain candidates. We maintain more democracy than many labor unions who elect their officers by the votes of delegates at their conventions.

Here, 4 short years later, when he became president, this identical resolution from Moose Jaw, Canada, to San Antonio, was brought out saying it was undemocratic for the rank-and-file members of our union to vote in a secret ballot for their president because they didn't know them, and also that they wasted money in so conducting that type of an election. God help the country if we ever come to that state, him comparing the democracy of the union in 1952 with the country's democracy.

Mr. KENNEDY. What about the control? You are talking about the salaries of the president and those who make up the executive board. Who controls the salaries of the vice presidents?

Mr. KANE. I will get to that in the duties of the president.

Senator McNAMARA. I have another question, Mr. Chairman.

The CHAIRMAN. Senator McNamara.

Senator McNAMARA. You apparently are very much disturbed by the fact that officers are now elected at a national convention rather than in a referendum vote. Tell us about the referendum vote. Was that conducted at union meetings generally?

Mr. KANE. It was conducted at union meetings. The only referendum we participate in, that I had experience with, was conducted the same day as an election for officers in our local union.

Senator McNAMARA. Was the election on a machine or a paper ballot?

Mr. KANE. Our election was by machine. The international election was by paper ballots supplied by the secretary-treasurer and the people voted in secrecy and voted for candidates.

Senator McNAMARA. Then on election day you had two types of ballots. The local unions officers were elected on a machine vote and the international officers were elected on paper ballot?

Mr. KANE. That is right.

Senator McNAMARA. Is it not the general practice of most internationals now to elect their officers at a national convention?

Mr. KANE. Senator, it is, and it is a practice carried on in international unions. It is a good practice. But when you have a custom for 70 years, and you have tried to be as hypercritical to say that that is not the democratic right to do it, that the members shouldn't have the right to do it because it cost money, that is the issue.

I don't find objection to the way the thing would be conducted. There are many international unions in this country that legitimately conduct their international officers election and have opposition and so forth, that way, because it has been the custom, it has been the tradition of the people to expect that. But this here is just an example of more and more rights of the individual member being taken away from him.

Senator McNAMARA. That is right.

Mr. KANE. That is what I oppose.

Senator McNAMARA. Right. You and I, I think, agree on this, that it might be better the other way, but, nevertheless, through democratic processes it was changed in the 1956 convention.

Mr. KANE. That is right.

Senator McNAMARA. How did you vote?

Mr. KANE. How did I vote on this? I think I abstained from voting on it.

Senator McNAMARA. You are putting up a lot better fight here than you did there; are you not?

Mr. KANE. No, I wouldn't—Senator, I wouldn't say that. In fact, I will give you the proceedings to read. But in a flash vote with no opposition, when you have a control of 2,989 of the 5,557 votes, when you say, "All in favor say 'aye,'" the ayes have it," you just sit. I opposed this. In fact, if you think that I sat on my hands and put a better fight up, I will read the speech I made on it. It will take a long time.

Senator McNAMARA. I am satisfied now. Thank you.

Mr. KANE. No, I will give it to you for your study, and you will agree that there was a fight put up there.

Senator McNAMARA. I do not want it. Thank you.

The CHAIRMAN. Are there any further questions?

Mr. KENNEDY. I just want to go now to the question of the salary of the vice presidents and members of the executive board. Who is that fixed by?

Mr. KANE. It is fixed by the international president. The old constitution——

Mr. KENNEDY. Could you summarize what the old constitution says?

Mr. KANE. Yes. The international president sets the salary of the representatives that are vice presidents in the old constitution, but he didn't have the right to place them. That was subject to approval. But the salary of the international president and the secretary-treasurer was set by the international convention and that was given over to the international executive board to set their salary. And the president, in turn, set the international executive board members' salary.

Mr. KENNEDY. So that we understand it, the president sets the salary of the executive board?

Mr. KANE. Who are international representatives.

Mr. KENNEDY. And that is a majority of them?

Mr. KANE. That is 75 percent of them.

Mr. KENNEDY. So he is the one who decides how much they will get paid?

Mr. KANE. That is right.

Mr. KENNEDY. And they, in turn, set his salary?

Mr. KANE. Yes.

Mr. KENNEDY. Immediately following the convention, did the president give them a raise—the executive vice presidents?

Mr. KANE. I don't have that information only from hearsay. I understand he gave himself a raise through them first and then had them wait and gave them a raise later.

Mr. KENNEDY. What about the report on the financial transactions of the union? Was there a change in the constitution on that?

Mr. KANE. Yes, sir; I will get to that.

In the duties——

Mr. KENNEDY. Was it changed that instead of sending out a printed report every 3 months of the finances, the change was that a summary of the finances would be sent out every 6 months?

Mr. KANE. That is right. As soon after the end of each quarter-year as is practical, he shall send to each local union a printed report of all of the financial transactions of the international union. The new one is as soon after the end of each semiannual period or as practical he shall send to each union a printed summary report of the financial transactions.

All the transactions in a summary are put out every 6 months instead of every 3 months.

Mr. KENNEDY. One is a summary every 6 months and the other was a full report every 3 months.

Mr. KANE. That is right.

Mr. KENNEDY. Was there also a change made as far as the signing of checks by the international president?

Mr. KANE. Yes, there was. In the duties of the secretary-treasurer of the union, the old constitution stated this:

He shall prepare and sign all checks of the international union and submit same for countersigning by the international president.

That was the secretary-treasurer.

In the new constitution:

He shall prepare all financial reports required by this constitution or called for by the international president, and he shall at the direction of the international president prepare and sign all checks of the international union.

At the direction of the international president, but before he prepared them, the secretary-treasurer, for the signature. One of the things that President Cross has been talking about is that Secretary Sims prepared and signed all checks.

You hear contrary from Secretary-Treasurer Sims.

Here in this new constitution, President Cross wanted to make sure that Secretary-Treasurer Sims signed all the checks that were submitted to him, and he drew up the constitution to read so: "He shall at the direction of the international president."

Mr. KENNEDY. Under the old constitution, he was to submit them to the secretary-treasurer?

Mr. KANE. He shall prepare and sign all checks.

Mr. KENNEDY. He would submit them to the secretary-treasurer for his signature and now he gives them to him and directs him to sign; is that right?

Mr. KANE. That is right.

Mr. KENNEDY. Was there also a change in the constitution as far as the control over the president over what banks the money shall be deposited in?

Mr. KANE. Yes.

Mr. KENNEDY. Was it formerly given to banks to be approved by the general executive board, that the international money would be deposited in banks approved by the general executive board, and now it is in banks approved by the general president?

Mr. KANE. That is right, sir.

Mr. KENNEDY. So it took the power from the executive board and gave it to the president?

Mr. KANE. Yes. In other words, the old constitution stated:

He shall deposit all other money in the name of the international union in banks approved by the general executive board.

The new constitution states:

He shall deposit all other money in the name of the international union in banks approved by the international president alone.

Evidently, it is his money now.

Mr. KENNEDY. What about the charges, the grounds for charges, against individual members? Was there a change in that?

Are there any other changes, generally?

How about the election of the vice presidents? Have we covered that?

Mr. KANE. The appointment of the vice presidents. The election of the vice presidents was changed by convention, just as the other. But there was an important change in the taking off or the putting on of international representatives, who make up 75 percent of the board:

He shall, with the approval of the general executive board, have the authority to select representatives for part- or full-time service as local, special, district, or general representatives.

Now it gives the president the exclusive right:

He shall have the authority to select and remove representatives for part- or full-time service as local, special, area, or general representatives, who shall function in the geographical territory set by the international president.

Before, at least, if one of the vice president was being taken off as international representative, they could go to the others for their approval. Now the international president has the sole right to take one of these representatives off that act as international vice president, and they would be out of their livelihood.

Mr. KENNEDY. Tell me this. You were out at the convention in San Francisco?

Mr. KANE. That is right.

Mr. KENNEDY. Was there an altercation out there while you were there?

Mr. KANE. Was there a little trouble; do you mean?

Mr. KENNEDY. Yes.

Mr. KANE. Yes; yes, sir, there was trouble. President Cross—and I state that emphatically as I did to the grand jury in San Francisco County—came to my room in the Olympic Hotel, on the morning of October 21, I think it was, and he was accompanied by George Stuart and Frank Gardone, both of whose names were mentioned in this hearing prior, and Frank Mykalo. They came into the room and President Cross decided to give me a working over, which he did.

After the working over, he told me to get ready. He left the room with the other two. George Stuart, as I was dressing, put the gun in my back and told me to move. They took us to the Fielding Hotel, where we came in contact with Louis Genuth, secretary-treasurer of local 50.

Mr. KENNEDY. How did they happen to get into your room in the first place?

Mr. KANE. George Stuart called me sometime in the morning, I estimate it at 4 o'clock or so. It was a little later developed. He says, "Joe, how are you? You haven't seen me since you came to town. You are in town a few days. How about getting dressed? I would like to walk you to mass."

And I says, "Come right up, George. I will be dressed in a short time. I will talk to you."

George rushes in with the other two that I mentioned, Mykalo and Gardone, and Cross followed him.

Mr. KENNEDY. Mr. Cross denied he was present at this.

Mr. KANE. Cross denied under oath to the grand jury that he was present.

Mr. KENNEDY. And you state he was present?

Mr. KANE. I state under oath here, and I stated at the convention, and before my God and man, and I will go anywhere, state under oath that Mr. James G. Cross was in the hotel rooms of the three delegates that were beaten up; namely, the Olympic Hotel, the Fielding Hotel, and the rooms of Nathan Ehrlich, and beat Nathan Ehrlich and his wife, beat Louis Genuth and beat me up in the city of San Francisco.

We so testified before the grand jury, and I say again under oath.

Mr. KENNEDY. So when they came up and got you, George Stuart, to take you to mass, he took you down the elevator and you went across to the other hotel?

Mr. KANE. After Cross beat me up, he says, "Come along, we are going to get Genuth now."

Mr. KENNEDY. Who was Genuth?

Mr. KANE. Genuth was the secretary-treasurer of local 50.

Mr. KENNEDY. Did you go to Genuth's?

Mr. KANE. We went to Genuth's room.

Mr. KENNEDY. Was he beaten up?

Mr. KANE. Beaten up by both Cross and Stuart.

Mr. KENNEDY. Did you go anywhere else?

Mr. KANE. Well, George showed the gun again and moved us along to the Cliff Hotel, where we went to the room of Mr. and Mrs. Nathan Ehrlich, and both of them were beaten up.

The CHAIRMAN. I do not quite follow this. What was all this beating up about? What were they carrying you around with a gun in your back for?

Mr. KANE. Well, we were the announced opposition to President Cross and his policies at the convention.

The CHAIRMAN. Did you get beat up, too?

Mr. KANE. Yes; I got beat up.

The CHAIRMAN. Was that the democratic process that this union stands for?

Mr. KANE. Unfortunately, Senator McClellan, in the last 3 years, never before, this international union has taken it upon themselves to conduct their business in goon-squad activities, and the testimony at this hearing shows this. Gardone, the boy that was testified by Barclay of beating the young 14-year-old boy up, was one of the ones that was in the room standing by as a goon to protect President Cross.

The CHAIRMAN. Is that his function, this Gardone? Is that what he is employed for?

Mr. KANE. I was in the city of Pittsburgh at a meeting when Gardone was first put on the international payroll, and at that time he was put on, George Stuart told me, because he is a nice young fellow that can really slug. He put him on because of the fact that he came to his aid in goon-squad activities with the CIO there, and protected Stuart. That is the qualifications of Gardone for an organizer in this international union.

The CHAIRMAN. These things that you are testifying to happened at your last national convention?

Mr. KANE. The last national convention.

The CHAIRMAN. In 1956?

Mr. KANE. In 1956.

The CHAIRMAN. What can you do about it?

Mr. KANE. What can we do about it is to continue to show the courage and continue to not be fearful of the activities, and continue to fight for the right of the members of this international union.

You ask me, Senator, what we can do about it? I think you and your committee are doing something about it.

The CHAIRMAN. Let me ask you this: It seems here for some reason they fired Mr. Mann, who was the head of a union for a number of years. I am not saying they did not have some complaint against him. Maybe he had done some things improper. But I cannot understand how you escaped some retribution like that, of

reprisal, after they took it upon themselves to beat you up and so forth.

Have they not undertaken to kick you out of the union?

MR. KANE. They were getting to that, Senator. Immediately after the convention, sometime in December, they filed charges against the 3 men, the 4 men that were involved in this situation in San Francisco. They took us up on charges, stating that we brought the international into disrepute, that we went to the police, we went to the newspapers with our story, as Americans we went to the newspapers and police to report a felony, and so forth.

By the way, that wasn't the truth. The newspapers, and you know newspapermen, Senator, came to us, and the police came to us, and gave us some sort of protection.

The thing went to the grand jury, and the grand jury reduced the felony charge to a simple assault and said that the case was rampant with perjury, which I certainly agreed with.

The CHAIRMAN. Well, anyway, they were convicted for assault?

MR. KANE. No. The case was reduced to a simple assault and they were never charged for that or we never pressured it.

The CHAIRMAN. Has there been any action taken since then to oust you from your union or to take it over in trusteeship or management?

MR. KANE. No. They took us up on charges and we were scheduled to be heard around January 4. It was postponed from that time after we were in a position to get counsel, and set up a defense for ourselves. Some of these poor fellows, like the fellows in Los Angeles, and Gilbert Mann, didn't have 10 cents to call a lawyer. We had lawyers set up a defense and they postponed it. Then, fortunately for everybody concerned, President Cross ran into a little trouble himself and decided not to pursue our charges. But if he gets out of this trouble, I imagine we will be taken up on charges and given the sleighride.

The CHAIRMAN. Are there any other questions?

Senator McNamara?

Senator McNAMARA. The unusual part of your story is that you joined the goon squad when they went over to beat somebody else up. Is that what you intended to say?

MR. KANE. I didn't join the goon squad. I said George Stuart, while I was getting dressed, Cross told me I was going along, George Stuart put the gun in my back, and the only reason I went and didn't make a break was the fact that I thought he would be foolish enough, after I heard some of the things he had done, he would be foolish enough, probably, in the condition he was in, to take a potshot at me.

Senator McNAMARA. Do you mean he was drunk?

MR. KANE. Well, not drunk, but crazy to the extent that they didn't know what was going to come out of the convention regarding their activities over the last 2 or 3 years that is coming out at this hearing.

Senator McNAMARA. Tell me about this incident in Chicago. Was it before the convention, before voting to change the bylaws or after?

MR. KANE. In San Francisco, sir. It was before.

Senator McNAMARA. They were putting pressure on you, then, to what you had taken in opposition?

MR. KANE. That is right.

Senator McNAMARA. And the other people?

MR. KANE. That is right.

Senator McNAMARA. And they forced you, with a gun in your back, to go along and at least be a witness to the beating of other people?

Mr. KANE. No. I think the remark was made by Stuart that "You are not going to stand by here and warn anybody, your other two buddies, and you are not going to call the police. You are coming with us."

Senator McNAMARA. They forced you along?

Mr. KANE. Yes.

Senator McNAMARA. You had to stand by when they beat the other people up?

Mr. KANE. That is right.

Senator McNAMARA. Naturally, you could not do anything about it because they had a gun?

Mr. KANE. No; I want to make this clear. When we got to Mr. Ehrlich's room, Mr. Ehrlich being a man in his fifties, and not being able to take the punishment that both Genuth and I took, I made up my mind that we would have at least 4 to 4 there, and we would have some kind of protection. He wasn't going to get away with beating Mr. Ehrlich up. When he started to beat him up, I got into the fracas at that time, hit Cross, and Mykalo and I were in a battle for 5 or 10 minutes, while Cross ran down the back steps, away from all the trouble.

Senator McNAMARA. They did not beat the man up, although they intended to?

Mr. KANE. They beat Ehrlich up. They just started on him when we interfered.

Senator McNAMARA. But you fought with them, you put up a fight?

Mr. KANE. Yes. I hit Cross once. That was enough.

Senator McNAMARA. Then he was down?

Mr. KANE. He picked up a bottle to hit me, and Ehrlich took the bottle out of his hand, and after that he run down the steps.

Senator McNAMARA. Immediately after that?

Mr. KANE. A short time after.

Senator McNAMARA. I cannot understand, if the evidence was as clear as you presented here, how the grand jury could possibly let these people off scot free. Can you?

Mr. KANE. I don't know what was in their mind, when all the people went there and testified that Cross was there.

Senator McNAMARA. What kind of a grand jury was this?

Mr. KANE. I think it was a good grand jury, like all American grand juries. It was a county grand jury.

Senator McNAMARA. I was not asking about——

Mr. KANE. You asked me you can't understand how they found them innocent.

Senator McNAMARA. I wanted to find out if it was a Federal or county or State. What county?

Mr. KANE. San Francisco County, I think, but I am not sure, the city of San Francisco and the county of San Francisco.

Senator McNAMARA. Certainly the committee is very much interested in these kinds of procedures, armed people coming to your room at 4 o'clock in the morning, and operating in such a manner as this.

But the weakness of it is that the grand jury dismisses these people. I cannot quite follow that.

Mr. KANE. They dismissed the felony charges against them and stated that the case was a case of simple assault, and not within the hands of the grand jury to handle.

Senator McNAMARA. Mr. Chairman, who would handle that?

Mr. KENNEDY. It was referred, I believe, to the district attorney for him to handle, and that has been the end of it.

Senator McNAMARA. It certainly seems like the processes of the courts are breaking down here somewhere; does it not?

Mr. KANE. Well, that is not for me to say. I don't happen to be a lawyer.

Senator McNAMARA. Well, it is the concern of the committee, and we want the facts that you apparently have so we can judge whether or not the local courts have broken down in this instance.

Mr. KANE. This I do know, Senator, that Cross said he wasn't there. We said that he was there. They didn't find him there, and they said that there was perjury committed, and that is still under investigation.

Mr. KENNEDY. There were some other witnesses that saw him there?

Mr. KANE. There were many witnesses.

Mr. KENNEDY. Some employees of the hotel?

Mr. KANE. That is right.

Senator McNAMARA. Mr. Chairman, I think it would be interesting for the record to see what the grand jury said. "The grand jury after hearing the matter took no action."

I started a paragraph too far down.

"It appears to us that the extent of the beating suffered by the complainants was somewhat exaggerated." This is a statement of the grand jury.

Mr. KENNEDY. The district attorney.

Senator McNAMARA. I would like the chief counsel, who is familiar with the document, to explain it to me for the purpose of the record.

The CHAIRMAN. The whole letter may be placed in the record for an exhibit for reference. It is not sworn to. It is a photostatic copy of a letter. That may be made an exhibit for reference only.

(The document referred to was marked "Exhibit 38," for reference and may be found in the files of the select committee.)

Mr. KENNEDY. It is a letter of November 19, 1956, from the office of the district attorney, to J. W. Ehrlich Esq., Attorney at Law, 333 Montgomery Street, San Francisco 4, Calif.

The pertinent parts, I believe, are the last two paragraphs.

It appeared to us that the extent of the beatings suffered by the complainants was somewhat exaggerated. Likewise it appeared quite clearly that the complainants and accused concealed the true subject matter or a portion of it, of the arguments that took place in the hotel room. We were of the opinion that Cross, contrary to his statement, was in the hotel room when the argument and alleged beating took place. The grand jury, after hearing the matter, took no action, but, instead, made the following statement: "Mr. Elkington, we have a statement to make resulting from considerable deliberations by the jury, after giving quite a bit of time and consideration to all of the testimony. The statement is as follows: It appears that this is a case of simple assault, which is a misdemeanor and not a felony, and, accordingly, does not come within the jurisdiction of the grand jury. The case itself is rampant with perjury and

we recommend the district attorney's office pursue this matter further. There will be no further comments or statements by any members of this grand jury, in connection with this matter to any individuals in the courtroom or to the press."

It is signed by Norman Elkington, chief, assistant district attorney.

Senator McNAMARA. This brings up the question, Mr. Chairman, as to how badly this man was beaten.

Did you have to go to a doctor?

Mr. KANE. Hospital attendants came to the room of the Clift Hotel and gave me medication and so forth.

I will say this, that Cross didn't give me a severe beating. I think my 10-year-old son could have beat me up more with less effort than he did with all the effort he put into it in the hotel room with me. I will say that the fight between Mykalo and myself was a savage affair. I say that Cross slapped Mrs. Ehrlich around when she tried to call the police, and he hit Mr. Ehrlich a rather good punch to start things out when I interfered.

I will say that Secretary-Treasurer Louis Genuth got a severe beating around the body from both Cross and George Stuart in the Fielding Hotel.

Senator McNAMARA. Did you have a black eye or were you cut? Did you have any stitches?

Mr. KANE. No. One of my eyes or cheekbones were swollen and discolored, and many black and blue marks around my body.

Senator McNAMARA. But your fight was with Cross?

Mr. KANE. No. Cross started, he hit me.

Senator McNAMARA. Then the other fellow cut in?

Mr. KANE. No. No one cut in at the Olympic Hotel. The cut in was done at the Clift Hotel.

Senator McNAMARA. As far as your fight's concerned, your encounter was with Cross?

Mr. KANE. That is right.

Senator McNAMARA. And it did not amount to much?

Mr. KANE. No.

Senator McNAMARA. Then you agree with this, pretty much, with this finding?

Mr. KANE. That is right.

Senator McNAMARA. That it was properly a misdemeanor?

Mr. KANE. No, not necessarily, no.

Senator McNAMARA. Well, that is the conclusion.

Mr. KANE. But there is a difference. There is a difference. Maybe the fight part, but the idea of the gun, the idea of putting the gun in my ribs, was certainly a felony in my estimation.

Senator McNAMARA. Was that brought out at the grand jury?

Mr. KANE. Yes. The gun was handled smartly. The gun was handled after the three left, and George Stuart put the gun in my back in the room with me alone.

Senator McNAMARA. He took the gun out of his pocket?

Mr. KANE. That is right.

Senator McNAMARA. But the grand jury was not impressed with that testimony?

Mr. KANE. I don't know what impressed the grand jury, really.

Senator McNAMARA. Apparently that did not, though, from the records.

Mr. KANE. Apparently that did not.

Mr. KENNEDY. Mr. Kane, I heard reports that your dislike of Mr. Cross comes from the fact that you would like to be president of the international union. Is there anything to that?

Mr. KANE. I have never solicited any local union to support me for international president; never issued a pamphlet stating that I would run for international president. I sat down with Nathan Ehrlich about a year ago this time in June, when we were preparing for the convention, and I said "The only way we can stop this dictator is to have somebody announce they are going to run against him, and if we don't do that, he won't curtail the things that he wants to do."

And I says "Nathan, starting today, I will announce that I am going to run against him, but you understand that is just to try to create a two-party system in this international union."

I had no intention whatsoever to run for international union president.

Mr. KENNEDY. So your testimony here and the statements that you have made are not based on the fact that you want to be president instead of Mr. Cross.

Mr. KANE. Of course not.

Mr. KENNEDY. It is based on your desire to help the members of the bakers union?

Mr. KANE. That is right. My whole record will prove that, going back to the days that I first became affiliated with this international union.

The CHAIRMAN. Senator McNamara?

Senator McNAMARA. Apparently, the purpose of this appearing at people's hotel rooms in the middle of the night or late in the morning was to intimidate?

Mr. KANE. I would say so.

Senator McNAMARA. There is no question about it, is there? Or is there a question?

Mr. KANE. There is no question about it at all.

Senator McNAMARA. Then it was to intimidate them, apparently.

At the convention, when you did not vote against the proposition of the international to change the by-laws, was it because you were afraid, or was it because you just did not care?

Mr. KANE. I wasn't afraid, Senator, to vote against it. There are many, many bills that probably go through the Senate that you——

Senator McNAMARA. Then why did you not bother to vote?

Mr. KANE. I couldn't vote on every resolution and every word that went through there. I couldn't be on the floor that much. I was leaving the floor, coming in, going out, trying to prepare for the main and important.

Senator McNAMARA. Was this not the very most important thing in your mind now, that took place at that convention, changing the rules so as to set up more of a dictatorship than you previously had? Was there something more important?

Mr. KANE. Yes; but, Senator, these constitutional changes went on some mornings from 10 o'clock to 1 or 2 o'clock in the morning, and you could not be on the floor on every vote, so I couldn't tell you the ones I voted for and the ones I was against, but I was against the whole

program of taking away from the rank-and-file members their rights and centralizing it in the hands not of a committee but in the hands of one man.

Senator McNAMARA. But you still do not know whether you voted or not on this?

Mr. KANE. On some of them. I would have to look at the record.

Senator McNAMARA. That would show?

Mr. KANE. The record of the convention.

Senator McNAMARA. Was it not a voice vote?

Mr. KANE. I would have to discover the record of the ones that I voted against. For instance, I voted against Cross for president.

Senator McNAMARA. But on this particular vote to change the by-laws, to make it less of a democratic organization as you have so well pointed out, according to previous testimony, as I understood it, it was a voice vote. They recommended this, and by a voice vote it was adopted at the convention. Is that not right?

Mr. KANE. That is right. And some of them were by roll-call votes that I voted against.

Senator McNAMARA. We are talking about one particular vote, not some of them. This one was a voice vote. You do not know whether you voted on it or not and the records would not disclose whether you did or not?

Mr. KANE. That is right.

Senator McNAMARA. Then your reference to the records would not help you at all.

Mr. KANE. But I spoke against them.

The CHAIRMAN. Are there any further questions?

Mr. HARRIS. Mr. Chairman, I have questions going to both lines of testimony to which Mr. Kane has testified.

The CHAIRMAN. You will submit your questions and the committee will take them under consideration.

Mr. KANE. Senator, I would like to make a short statement.

The CHAIRMAN. You will submit your questions and the committee will take them under consideration during the recess hour.

Mr. HARRIS. All right.

May I also ask this: I would like to submit for the record in the event the committee does not yet have them, I am not sure whether the committee does or not, photographs of Mr. Kane, of Mr. and Mrs. Ehrlich, and of Mr. Genuth taken leaving the grand jury room, within 2 or 3 days after the alleged beating.

The CHAIRMAN. We are going to have Mr. Cross on the stand. At that time you may present whatever he can testify to them. In the meantime, you may submit those to the committee for inspection.

Mr. HARRIS. May I submit them for the cross-examination of this witness this afternoon?

The CHAIRMAN. They may be submitted along with your questions. We will take them into consideration during the recess hour.

Mr. HARRIS. And also the report of the grand jury?

The CHAIRMAN. Yes, sir. We will take that. We will take anything you want to submit.

Mr. HARRIS. And the police report of the San Francisco police, which shows that all of the alleged victims refused aid?

The CHAIRMAN. Just a moment. The Chair has told you that we will take any documents you want to submit.

Mr. HARRIS. Yes, sir.

The CHAIRMAN. If we go much further, you may be testifying.

Mr. HARRIS. I do not want to testify.

The CHAIRMAN. The clerk will take the documents, and we will give them immediate attention, the questions and the documents.

Mr. KANE. Mr. Chairman, I would like to make a statement.

The CHAIRMAN. We will hear a brief statement from you.

Mr. KANE. I, as a trade-union leader, have all the confidence in the world in President Meany, secretary-treasurer Schnitzler, the AFL-CIO ethical practices committee, to handle the situation of corruption and straightening out the American labor movement. But I also say this, that I don't think they would have been able to do anything, and I think it would have taken us as rank-and-file leaders, and rank-and-file delegates and rank-and-file members, a hundred years to get at cleaning up our international union, of the terror, the fear, that is in the international union. This committee deserves the praise and the credit of every local union official and every local union member and every international official in this Nation for the work that they have done, and the work of this committee in bringing to our members in the only way that it could be brought to our members, the facts about our international union. It amazes them.

I have gone to various meetings that Mr. Cross talked to, the Bisquit Council Convention in Toronto, the New York local union leaders meetings, and President Cross and many other union officials supporting him, condemn this committee, the McClellan committee, as being an antilabor committee. I don't think any local union leader that has nothing to be afraid of, that wants decent trade unionism in America, has ever stated that about this committee, and I never heard a rank-and-file member of our union, my union, or any other union, condemning this committee.

You deserve the credit of the American workingman, and I know the bakery and confectionery workers throughout this country will be much better off for it.

I am sure that the employers, particularly the small family-owned bakeries of this Nation, that have to struggle under the relationship of the big bakeries in this country, with the big union officials of this country, will be much better off for it, and they will be eternally grateful.

I know that in New York, certainly, they will be appreciative that they don't have to dig down in four or five hundred dollars each year for testimonial dinners and so forth.

The CHAIRMAN. Thank you very much. We appreciate that.

We hope the committee is rendering a service, not only to the Congress but to the American people. We sincerely hope that we are rendering a service to honest unionism.

Thank you very much.

You will remain, you will be recalled after the recess.

The committee now recesses until 2 o'clock.

(Whereupon, at 12:25 p. m., the committee recessed, to reconvene at 2 p. m., the same day.)

(Members present at the taking of the recess: Senators McClellan and McNamara.)

AFTERNOON SESSION

(Members present at the convening of the afternoon session: Senators McClellan and Goldwater.)

The CHAIRMAN. The committee will come to order.

Mr. Kane?

TESTIMONY OF JOSEPH KANE—Resumed

The CHAIRMAN. Mr. Kane, counsel for Mr. Cross has submitted to the committee certain questions he would like to have asked you. Some of them, I think, have already been substantially answered, but the Chair is going to permit counsel to ask you the questions. Answer them promptly.

Mr. KENNEDY. Is it not true that you and all members of the convention were afforded full opportunity to discuss constitutional changes on the floor of the convention?

Mr. KANE. We were given the opportunity to discuss, given 5 and 10 minutes' time to discuss, 5 minutes and then another additional 5 minutes. But in discussing these issues, we were also given a chorus of boos. Every time we got up we got booed, practically, off the floor, by paid organizers and representatives of the international union.

Mr. KENNEDY. Is it not true that Secretary-Treasurer Sims and Vice Presidents Conway, Miller, and Goodman, were all in favor of all constitutional changes both before and during the convention?

Mr. KANE. That came out at the convention, the remarks of President Cross, that it was a unanimous decision of the general executive board on these constitutional changes.

To my way of speaking, they had no right to suggest constitutional changes. But they have the right to submit these resolutions, in the present constitution. It is true that they went along with them, but it is also true, to their credit, to the credit of Secretary-Treasurer Sims and Dan Conway and Goodman, Archie Goodman, and Amos Miller, and John deConcini, that they had the moral courage and courage to come out after the convention and fight the things that they are now fighting and have the respect of the rank-and-file people.

Mr. KENNEDY. Is it not true that the only medication given you was one bandaid?

Mr. KANE. I don't even know if I was given a bandaid or not. I wasn't injured so much physically as much as I was disgusted mentally, that this international union would stoop to the tactics they did in my hotel rooms and the other hotels. It is something that I and the others have not gotten over. But wounded and what showed up, we wanted no medication. All we wanted was a little silence, a little self-respect, and the rights I think we enjoy as American citizens.

Mr. KENNEDY. In exhibit 38, in connection with Mrs. Ehrlich, they say more argument and a further attack took place when Mrs. Ehrlich attempted to telephone for help. The telephone was struck from her hand and she was physically mistreated. The story as to the Clift Hotel was corroborated by the telephone operator who heard the call and by the occupants of the room adjoining the Ehrlich's.

Were you in the room at the time?

Mr. KANE. That is a correct statement. I was in the room at the time.

Mr. KENNEDY. Who hit Mrs. Ehrlich?

Mr. KANE. When she was trying to use the telephone to call the police? Mr. Cross. James Cross.

Mr. KENNEDY. Mr. Cross stated he was not present at the time.

Mr. KANE. He has his conscience and his God to answer.

Mr. KENNEDY. Is it not true that James G. Cross and others were charged with assault, conspiracy and kidnaping, on the basis of your statements to the police?

Mr. KANE. I and others when we were questioned by the police. We had to be law-abiding citizens and cooperate with the police and give them the facts.

Mr. KENNEDY. Is it not true—the answer to that is “yes”?

Mr. KANE. Yes.

Mr. KENNEDY. Is it not true that you gave substantially the same story under oath to the San Francisco grand jury in October 1956?

Mr. KANE. The same story?

Mr. KENNEDY. That I believe you testified to here.

Mr. KANE. Yes.

The CHAIRMAN. That you gave to the police. That is what he means.

Mr. KANE. Yes, sir.

Mr. KENNEDY. Is it not true that the four defendants, James G. Cross, George Stuart, Frank Gardone, and Frank Mykalo also testified before the same grand jury?

Mr. KANE. That is right.

Mr. KENNEDY. Is it not true that other witnesses, including hotel employees and police officers, also appeared before the same grand jury and testified with respect to your charges against the aforesaid Cross, Stuart, Gardone, and Mykalo?

Mr. KANE. Yes.

Mr. KENNEDY. Is it not true that the grand jury devoted three sessions to the consideration of the charges?

Mr. KANE. Yes.

Mr. KENNEDY. Is it not true that after hearing all the evidence, the grand jury disbelieved your testimony and that of the other complainants by refusing to indict Cross and the others of the crime of which you had accused them?

Mr. KANE. I don't go along with that, that they disbelieved. I don't know what reason they have or what motivated them to make the statement they did.

Mr. KENNEDY. Mr. Chairman, we have here also submitted before the grand jury of the city and county of San Francisco, State of California, in the matter of the investigation of James Cross, Stuart Gardone and Mykalo, charged with violations of sections 245, 182, and 274 of the penal code. It has a statement of the foreman that I read this morning. It says that it appears to be a case of simple assault.

The CHAIRMAN. Was this document submitted by counsel for Mr. Cross?

Mr. KENNEDY. Yes.

The CHAIRMAN. The statement you read this morning was taken from this?

Mr. KENNEDY. I believe it was.

The CHAIRMAN. It may be compared, and if it is the same, the one reading of it into the record will be sufficient.

Have some member of the staff make a comparison. If it is the same as that read this morning, it will not be necessary to reread it into the record.

Mr. KENNEDY. Then, I believe, the account of what occurred by the police department, the San Francisco Police Department, is here. Do you want me to read this? It is an account of the San Francisco Police Department as to what occurred, based on interviews with the various complainants.

That document was submitted also.

I think this just states—

The CHAIRMAN. Well, it is a document submitted.

I do not know the authenticity of it. I assume it is a photostatic copy of a police report.

Mr. KENNEDY. Yes.

The CHAIRMAN. You may read it and ask this witness if it is correct. Read the pertinent parts.

Mr. KENNEDY (reading).

Mr. Nathan Ehrlich reported that the within named suspects came to his door to room 917, Hotel Clift and knocked. Upon opening the door the suspects pushed Mr. Ehrlich into a chair into the corner and began to strike him about the face and body and when his wife attempted to help they struck her about the body. I questioned victim No. 2, a Mr. Joseph G. Kane, and he stated that he is at the present staying at the Olympic Hotel, 230 Eddy Street, room No. 1208, and that the same suspects came to his room this date and had assaulted him and then forced him to leave the hotel and go to another hotel, Hotel Fielding, 386 Geary Street, where the suspects then assaulted another victim, a Mr. Louis Genuth. After assaulting the third victim they forced these two men to leave the hotel while holding a gun butt to their back and go to the Clift Hotel and used them to gain entrance to Mr. Ehrlich's room where they assaulted Mr. Ehrlich and his wife. I then questioned them as to the possible reason for this assault and they all stated that it was stemming from an argument within the convention for the International Bakers Union being held here in San Francisco. These victims had already called their attorneys and the attorneys were advised to obtain warrants for arrest of the suspects. The suspects are all known to the victims and are high officials of the union.

2. Suspect No. 1: George Stewart, WMA, age 40 years, 5 feet 7 inches, 200 pounds, heavy build—ruddy complexion, grey hair. Suspect No. 2: James G. Cross, WMA, age 45 years, 5 feet 10 inches, 185 pounds, heavy build, light complexion, blond hair. Suspect No. 3: Paul Cordone, WMA, age 35 years, 5 feet 7 inches, 180 pounds, dark complexion, medium build, black hair. Suspect No. 4; no description.

Then it gives the list of those who complained, Joseph Kane, his address, and Genuth.

The CHAIRMAN. That document may be made exhibit No. 39 for reference.

(The document referred to was marked "Exhibit 39", for reference and may be found in the files of the select committee.)

Mr. KENNEDY. Then it gives Mr. Kane's account about brandishing a gun.

Mr. HARRIS. I ask leave to address the Chair for a moment.

At the end of the second page, paragraph No. 4, there is a statement which I did not hear counsel read, which says "aid refused by all victims."

Is that not correct?

Mr. KENNEDY. Yes; that is correct.

Mr. HARRIS. Thank you very much.

Mr. KENNEDY. Do you want me to read the last page, Mr. Chairman?

Counsel, is it a summary of what Mr. Kane testified this morning? Is there anything on the last page that you want read, particularly?

Mr. HARRIS. I don't see the necessity of reading it; no. It will be put in the record, I take it.

Mr. KENNEDY. I will read it, Mr. Chairman.

The CHAIRMAN. You follow, and if there is anything in there that is untrue, you may so state, and if it is true, you can corroborate it.

Mr. KENNEDY (reading).

Suspects George Stuart, James Cross, Frank Gardone and an unidentified male came to the room of Joseph Kane at the Olympic Hotel, beat Mr. Kane, Stuart brandished a revolver and ordered Mr. Kane to accompany them to the room of Mr. Genuth at the Fielding Hotel. Along with Mr. Kane the four suspects entered Mr. Genuth's room beat him and ordered both Kane and Genuth to accompany them to the room of Mr. and Mrs. Nathan Ehrlich, Stuart still brandishing revolver. Upon entering Mr. and Mrs. Ehrlich's room at the Clift Hotel they struck both Mr. and Mrs. Ehrlich, entered the room of Mr. and Mrs. Lorber, which adjoins Ehrlich's room, and held them in bed. At this time for the first time the complainants offered resistance and in the scuffle Mr. Ehrlich was able to call for help on the telephone and the suspects fled. Suspect James Cross arrested at the Palace Hotel this date. Mr. Cross and his Attorney Dorsey Redland to surrender other suspects.

2. Arrested: James G. Cross, WMA, 7420 Hampton Lane, Bethesda, Md. Palace Hotel. Age 44 years, charges suspect 207 and 245 penal code.

Frank Gardone, WMA, Pittsburgh, Pa., 31 years. Charge 207 and 245 penal code.

George Stuart, WMA, 47 years, Washington, D. C. Charge 207 and 245 penal code.

Frank Mykalo, WMA, 34 years, Scranton, Pa. Charge 207 and 245 penal code.

Frank Gardone, George Stuart, and Frank Mykalo surrendered themselves at 6 p. m., this date at the Palace Hotel. All four suspects identified by Louis Genuth.

On instructions from Assistant District Attorney Cecil Poole all complaining witnesses are to be in the general works detail on Monday, October 22, 1956, at 10 a. m.

This is signed Murphy and O'Keefe.

The CHAIRMAN. Is there anything in that statement that you did not testify to this morning?

Mr. KANE. No, sir.

The CHAIRMAN. How soon did you give that statement after this occurred?

Mr. KANE. That is right.

The CHAIRMAN. How soon? A week, 1 day or 2 hours?

Mr. KANE. Within the hour after.

The CHAIRMAN. Within the hour after?

Mr. KANE. Yes, sir.

The CHAIRMAN. The situation has not changed any since?

Mr. KANE. No, sir.

The CHAIRMAN. It is still a fact now as it was then?

Mr. KANE. I am positive.

The CHAIRMAN. The Chair will make this document, this photostatic copy before the grand jury of the city and county of San Francisco, State of California, a part of exhibit No. 38, which is the letter from the district attorney; excerpts of which were read into the record this morning.

These documents have been compared. The language read into the record from the letter this morning is the same as that in the grand jury document. They will both be made exhibit 38.

Mr. KENNEDY. We have the pictures that were also submitted.

The CHAIRMAN. The pictures may be returned to the owners of them, if he wants them. If he does not, you can put them in incidental matters in the file.

Do you want these pictures?

Mr. HARRIS. I submitted them, Mr. Chairman, for the record. I would have hoped that counsel would ask the witness whether those are not——

The CHAIRMAN. Give the witness the pictures.

Mr. HARRIS. Ask him whose pictures they are and when they were taken.

The CHAIRMAN. Do you recognize those people?

Mr. KANE. Nathan Ehrlich, Mrs. Ehrlich, Louis Genuth, Joseph Kane, Arthur Markowitz, an attorney; Joseph Kane, and Mrs. Lorber.

The CHAIRMAN. Do you know how long after this fracas the pictures were made, how many days, hours, minutes or months?

Mr. KANE. I have no idea, but I heard it testified to that it was at the grand jury.

The CHAIRMAN. How long was it before you went to the grand jury to testify after the night of the fracas?

Mr. KANE. I think we went there the next night, Monday night.

The CHAIRMAN. According to the pictures, do you see any bruises on your face or anywhere else?

Mr. KANE. There is a slight bruise on the lip, a little discoloration of the right eye. Louis Genuth's right eye seems to be a little closed. Mrs. Ehrlich is very nervous. The same thing applies to Mr. Ehrlich.

The CHAIRMAN. Those may be made exhibit No. 40.

(The documents referred to were marked "Exhibits 40 for reference and may be found in the files of the select committee.)

The CHAIRMAN. I hand you now a photostatic copy of the San Francisco paper, a photostatic copy of it. Take a look at that and see if you recognize the picture on the front page.

(Document handed to witness.)

Mr. KANE. It is me, but it is hard to recognize.

The CHAIRMAN. Why?

Mr. KANE. I seem to be beat up around the right side of the face and my jaw seems to be swollen. But it could be possible from the camera. And my lip is cut right under the nose, the upper lip.

The CHAIRMAN. When was that picture taken?

Mr. KANE. That was probably taken Sunday right after the fracas.

The CHAIRMAN. Sunday, right after the fracas. You did get a scratch or two, did you not?

Mr. KANE. Minor.

The CHAIRMAN. Minor. All right.

That may be made exhibit No. 41.

(The document referred to was marked "Exhibit 41," for reference and may be found in the files of the select committee.)

The CHAIRMAN. Exhibit 41 is just for reference. I do not want them printed in the record.

Mr. KENNEDY. Did you have an attorney out there?

Mr. KANE. I didn't have an attorney, no. There were attorneys available. Mr. Ehrlich had an attorney along.

Mr. KENNEDY. Did the union pay for those attorneys?

Mr. KANE. I understand that local 51 paid for one of the attorneys, and there was another attorney that did not participate in the grand jury thing. Local 51, to the best of my knowledge, paid for them. I know we didn't.

Mr. KENNEDY. You know what?

Mr. KANE. I didn't pay.

The CHAIRMAN. Are there any further questions?

All right, Mr. Kane, you may stand aside for the present.

Call the next witness.

Mr. KENNEDY. Mr. Curtis Sims, Mr. Chairman.

(Members present at this point: Senators McClellan and Goldwater.)

The CHAIRMAN. Come forward, Mr. Sims.

Mr. Sims, do you solemnly swear that the evidence you shall give before this Senate Select Committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. SIMS. I do.

TESTIMONY OF CURTIS R. SIMS, ACCOMPANIED BY HENRY KAISER

The CHAIRMAN. State your name, place of residence and business or occupation.

Mr. SIMS. Curtis R. Sims, Bethesda, Md., at the present time suspended secretary-treasurer—

The CHAIRMAN. What?

Mr. SIMS. Suspended secretary-treasurer of the Bakery and Confectionery Workers International Union of America.

The CHAIRMAN. What is the status of a suspended member?

Mr. SIMS. Well, my status now is that I am on vacation with full pay. That is about the best I can give.

The CHAIRMAN. You are still drawing money?

Mr. SIMS. That is right.

The CHAIRMAN. You have an attorney here representing you?

Mr. SIMS. Yes, sir.

The CHAIRMAN. Will counsel please identify himself for the record?

Mr. KAISER. Henry Kaiser, 1701 K Street NW., Washington, D. C.

The CHAIRMAN. Thank you very much, Mr. Kaiser.

Mr. Kennedy, you may proceed.

Mr. KENNEDY. You have been with the bakers union how long, Mr. Sims?

Mr. SIMS. I joined the union in July 1933.

Mr. KENNEDY. And you have been an officer how long?

Mr. SIMS. I have been a local union officer from 1933 until 1937, and in the various capacities as an international officer from 1937 until March 5, 1957.

The CHAIRMAN. Is that when you were suspended?

Mr. SIMS. Right.

Mr. KENNEDY. Would you tell me how long you have been an officer of the international?

Mr. SIMS. In various capacities since 1937.

Mr. KENNEDY. And how long were you secretary-treasurer?

Mr. SIMS. Since February 1, 1953.

Mr. KENNEDY. You were suspended, were you, recently, Mr. Sims?

Mr. SIMS. I was suspended on March—the wee hours of the morning of March 8.

Mr. KENNEDY. Prior to that time, had you brought certain charges against certain officials of the international union?

Mr. SIMS. I had.

Mr. KENNEDY. You had specifically brought charges against Mr. James Cross, the international president?

Mr. SIMS. And Vice President Stuart.

Mr. KENNEDY. And did you have a certain amount of documentation regarding those charges that you brought?

Mr. SIMS. I did.

Mr. KENNEDY. Specifically, and has it been supported in the record before this committee, did you have information regarding the misuse of some \$13,000 out of a local in Chicago, Ill., for the purchase of 2 automobiles?

Mr. SIMS. Yes.

Mr. KENNEDY. And did you also have some information, documentation, showing that there had been a misuse of union funds to make personal purchases for Mr. Stuart?

Mr. SIMS. Yes.

Mr. KENNEDY. And that you also had some documentation for the misuse of union money on the part of Mr. James Cross?

Mr. SIMS. Yes.

Mr. KENNEDY. The use of union money to pay for his own personal bills and pledges; is that right?

Mr. SIMS. Yes.

Mr. KENNEDY. You brought those charges against Mr. Cross and Mr. Stuart. Were those charges heard by the executive board?

Mr. SIMS. They were.

Mr. KENNEDY. Would you tell the committee what the result was after you presented your case to the executive board?

Mr. SIMS. The charges were filed on March 3, 1957. A special session of the board was called by President Cross for 2 p. m. of March 6. Before the charges could be heard, it was necessary that a trial procedure be adopted. That trial procedure was adopted by the board in about 2 hours and a half on the afternoon of March 6, at the Sheraton-Park Hotel, here in Washington.

At that time, the general executive board insisted that the charges against President Cross be heard immediately at that time. Not being prepared at that time, it was postponed until the next afternoon, March 7, and the hearing started shortly after 2 p. m., and continued through the afternoon and evening with the exception of approximately an hour and a half taken off for dinner.

The hearing adjourned somewhere at approximately 10 p. m.

Mr. KENNEDY. Was the result that after you filed your charges, they heard the charges, Mr. Stuart and Mr. Cross were cleared by the executive board?

Mr. SIMS. They were.

Mr. KENNEDY. And were you suspended?

Mr. SIMS. I was.

Mr. KENNEDY. So the result of your presentation of charges to the executive board of the international bakers was that Mr. Stuart and Mr. Cross were cleared, and you were suspended; is that right?

Mr. SIMS. Right.

Mr. KENNEDY. That is the same Mr. Stuart that appeared before the committee and took the fifth amendment?

Mr. SIMS. Yes.

The CHAIRMAN. May I ask a question or two? Who constituted the trial board or committee?

Mr. SIMS. The board itself, with the exception of Vice President Stuart, President Cross, and myself, who were disqualified, which left 17 on the board.

The CHAIRMAN. Seventeen members of the regular executive board constituted the trial body?

Mr. SIMS. Right.

The CHAIRMAN. The tribunal.

All right.

Mr. KENNEDY. Immediately after the vote was taken to clear President Cross and Mr. Stuart, was there a vote taken on your suspension?

Mr. SIMS. There was, although I was not present.

Mr. KENNEDY. Was there a suspension resolution offered?

Mr. SIMS. There was.

Mr. KENNEDY. Will you examine this document?

The CHAIRMAN. The Chair presents to you what purports to be a carbon copy of what is entitled "Suspension resolution." I will ask if you will examine this carbon copy and see if you identify it as such, a copy of the original.

(Document handed to witness.)

(The witness conferred with his counsel.)

Mr. SIMS. Yes; this appears to be a genuine copy.

(At this point, Senator Mundt entered the hearing room.)

The CHAIRMAN. That may be made exhibit No. 42, for reference.

(The document referred to was marked "Exhibit 42" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. Would you hold that in your hand? What is the date of that suspension?

The CHAIRMAN. Senator Goldwater, will you take charge for a moment?

(At this point, Senator McClellan withdrew from the hearing room.)

Mr. SIMS. On page 2, in the first resolve, the date appears in type-writer as the 6th day of March 1957, and over the top of the 6 has been written with ink the 7th day of March.

Mr. KENNEDY. Or is it 8?

Mr. SIMS. Eight. March 8.

Mr. KENNEDY. So it would appear that your suspension resolution was drawn up 2 days prior to the executive board even reached a result, is that right?

Mr. SIMS. That is correct.

Mr. KENNEDY. And finding that the trial was not to go on the 6th of March as expected, it was changed from the 6th to the 8th, is that right?

Mr. SIMS. That is right.

Mr. KENNEDY. And the suspension resolution was offered immediately after the executive board cleared Mr. Cross and Mr. Stuart?

Mr. SIMS. That is correct.

Mr. KENNEDY. I have here the hearings from the executive board, Mr. Chairman, a special session of the executive board, Bakery and Confectionery Workers International Union of America.

President Cross stated this, at page 239, while taking the chair again as president of this international union and chairman of this general executive board.

May I very humbly and very sincerely thank this board for what I consider a very great vote of confidence. I won't say too much. Most of you know how I feel. But then it brings us to another serious problem. If as I interpret this vote, it is a vindication for me against the charges made, it is then also a vote of no confidence in Secretary Sims. You have heard all the evidence in a hearing body. I think the world, if they could know, and our members, would be proud of the deliberations and the method in which you have handled yourselves in such a serious manner. I think it will help in some measure to correct some of the wrong that has been done to this international union through the public press and in the minds of the workers that we represent. I can't make a long speech. I don't think it is proper. I wouldn't be able to anyway.

I will say one thing, which is some of my innermost thoughts. I am not going to be able to do this again in another 5 months. I got hit in San Francisco, regardless of the feeling of some of the delegates. It was a terrible thing for this international union to go through, and it was terrible for me. Five months later when I was beginning to get back on my feet again, I got hit with this one. I don't think I can stand one more. I don't think I can put up with it. I hope it never happens. I won't give it an occasion to happen.

I sometimes search myself to find out what is wrong, what could I do wrong that even these charges would be leveled.

Then he goes on to discuss the fact that you have brought these charges and, therefore, some action should be taken against you, Mr. Sims.

Mr. SIMS. Right.

Mr. KENNEDY. And they did vote on that occasion that you should be suspended?

Mr. SIMS. Yes.

Mr. KENNEDY. Do you have a list there of the charges made against you?

Mr. SIMS. I have the list here.

(At this point, Senator McClellan entered the hearing room.)

Mr. KENNEDY. Roughly, without going into them in detail, weren't they that you brought the union into disrepute by making your charges public?

Mr. SIMS. There were four charges preferred against me. The first three charges dealt with newspaper publicity and the fourth charge was the preferring of my charges in bad faith.

The CHAIRMAN. In bad faith?

Mr. SIMS. Right.

Mr. KENNEDY. What was the basis of your allegedly preferring the charges in bad faith?

Mr. SIMS. That I went to the newspapers to air out my troubles. And an unwarranted and unnecessary expense by requiring convening of a special general executive board meeting.

The CHAIRMAN. In other words, if you had charges, you had better keep them to yourself, is that right?

Mr. SIMS. That is right.

Mr. KENNEDY. Did you appear before the general executive board and defend yourself of these matters?

Mr. SIMS. I did.

Mr. KENNEDY. Did you have a copy of the hearing at which you had appeared earlier and had presented your charges?

Mr. SIMS. No, sir.

Mr. KENNEDY. Why didn't you have a copy of that?

Mr. SIMS. We were unable to obtain a transcript of the hearing on the charges against President Cross. In fact, those transcripts were not received by us until after we returned from Miami, which was in the first few days of April, although the hearing was on the 27th of March.

Mr. KENNEDY. So when you appeared yourself to answer this question of whether you made these charges in good faith, you were not allowed to review the testimony before the executive board?

Mr. SIMS. That is correct.

The CHAIRMAN. Was that a public hearing, where you could be present and hear everything testified?

Mr. SIMS. Well, they were public hearings to the extent of the board members only being present. It was not a public hearing in the sense that this hearing is.

The CHAIRMAN. Well, I mean, were you present during the taking of all of the testimony?

Mr. SIMS. Yes.

Mr. KENNEDY. On the question of distributing any of this material to the press, has that happened before, anything similar to this?

(The witness conferred with his counsel.)

Mr. SIMS. It happened before, but I am not familiar with the details.

Mr. KENNEDY. Were any of the charges against you distributed in the newspapers?

Mr. SIMS. No. It got in the paper, but I don't know how it got there.

Mr. KENNEDY. What?

Mr. SIMS. They got in the paper, but how they got there I don't know.

Mr. KENNEDY. You were present out in San Francisco when this dispute took place that Mr. Kane has testified to?

Mr. SIMS. Yes.

Mr. KENNEDY. The attorneys of the International Bakers Union, what are their names?

Mr. SIMS. Herman Cooper is the general counsel for the international union, and his associate is John Long, one of his associates.

Mr. KENNEDY. Were they paid any special fee at the time of this convention and this dispute?

Mr. SIMS. No.

Mr. KENNEDY. They were not given any extra money?

Mr. SIMS. No; other than expenses.

Mr. KENNEDY. You did not give him any money yourself?

Mr. SIMS. I gave Long \$250.

Mr. KENNEDY. But you didn't give Mr. Herman Cooper any money?

Mr. SIMS. No.

Mr. KENNEDY. Did you give him a check out there?

Mr. SIMS. I gave Mr. Cooper \$8,000 in cash on Friday after the convention ended on Wednesday.

(The witness conferred with his counsel.)

The CHAIRMAN. Why were you handling these matters in cash?

Mr. SIMS. That was the action of the board, that that money be handled in cash.

The CHAIRMAN. By the action of the board, do you mean the board directed it be handled that way?

Mr. SIMS. The board voted that the expenses for the San Francisco fracas was \$24,000, and that the check be drawn in the amount of \$16,000 payable to Herman Cooper, and that \$8,000 be given to him in cash.

The CHAIRMAN. What was the reason for the cash payment, not placing it all in one check?

Mr. SIMS. The only reason I can give you is that it was for expenses incurred during this fracas, miscellaneous expenses.

The CHAIRMAN. The \$24,000, what was that for?

Mr. SIMS. I suppose the \$16,000 was to be used to take care of attorney and legal expenses.

The CHAIRMAN. For that one fracas out there?

Mr. SIMS. Yes.

The CHAIRMAN. You keep talking about a fracas. Are you talking about this fracas that has been testified to here today?

Mr. SIMS. That is right.

The CHAIRMAN. You are not talking about the expense of the convention?

Mr. SIMS. No.

The CHAIRMAN. I thought this was the expense of the convention. You were right the first time. The expense of a fracas.

Mr. SIMS. That is right.

The CHAIRMAN. It was a pretty expensive fracas, was it not?

Mr. SIMS. Rather; yes.

The CHAIRMAN. I do not understand where the expense of the fracas came in. What expense was associated with this fracas?

Mr. SIMS. As I understand, there was a firm of local attorneys retained. I don't know what other expense was involved in it. I was never told. I know that that is the action of the board.

The CHAIRMAN. Well, if you had an expense you were going to pay to Mr. Cooper, your general attorney, why did you not write it all in one check?

Mr. SIMS. President Cross brought this up before the board, and Attorney Cooper told the board how this money was to be handled.

The CHAIRMAN. What did he tell them?

Mr. SIMS. He told them that the expenses involved in this San Francisco fracas was \$24,000.

The CHAIRMAN. Did he give you an itemized statement of it?

Mr. SIMS. I never saw an itemized statement of it. I never saw anything.

The CHAIRMAN. Did he give you any breakdown whatsoever?

Mr. SIMS. No, sir.

The CHAIRMAN. This money, then, is actually paid out against Mr. Cross, the international president?

Mr. SIMS. That is right.

The CHAIRMAN. To cover the expense of a fracas apparently he initiated so far as this testimony is concerned here?

Mr. SIMS. Right.

The CHAIRMAN. Just a moment. Is that a legitimate expense under the constitution of this union, to take \$24,000 of dues money to pay for a little old fracas? They say it is so small they do not even have a scratch on the pictures they brought in. Suppose they scratched them up a little, what would it cost? I want to get the facts. Is that the loose way in which the union dues are handled by this international?

Mr. SIMS. Well, let me say this: That is the way that was handled.

The CHAIRMAN. That is the way that was handled?

Mr. SIMS. Right.

The CHAIRMAN. Was there something about this that was peculiar. Different from others?

Mr. SIMS. Well, it is not the best way to handle the thing.

The CHAIRMAN. It might be, for that kind of a deal. I do not know. Senator Goldwater?

Senator GOLDWATER. Mr. Sims, this is \$8,000 in cash; did you give that to Mr. Cooper before the fracas?

Mr. SIMS. After. It was about 6 or 7 days after. Or 8 days after.

Senator GOLDWATER. Was that the same time you gave him the check for \$16,000?

Mr. SIMS. The check was mailed to Mr. Cooper from the Washington office after I returned from San Francisco.

Senator GOLDWATER. Could this \$8,000 in cash have been used, in your mind, to pay off people?

Mr. SIMS. It could have.

Senator GOLDWATER. People, for instance, who might have come in from outside the union to persuade some of these other individuals with violence?

Mr. SIMS. It could have been used for anything. I have no knowledge of where that money went.

Senator GOLDWATER. How did you carry it on your books?

Mr. SIMS. We carried it as convention expenses.

Senator GOLDWATER. And did you carry the \$16,000 check as a convention expense?

Mr. SIMS. It was carried as convention expenses.

Senator GOLDWATER. The whole thing?

Mr. SIMS. Yes.

Senator GOLDWATER. Have you heard anything that would lead you to believe that any individuals in particular benefited by this \$8,000 in cash other than Mr. Cooper?

Mr. SIMS. No.

Senator GOLDWATER. It is a very unusual way to handle a legal fee.

The CHAIRMAN. How did you report this to your union members as expense?

Mr. SIMS. Well, the report, when it is printed, I suppose—although the report had not been printed when I left the office—I assume that it will be printed as convention expenses.

Mr. KENNEDY. You approved this, did you not, yourself?

Mr. SIMS. It was approved by the general executive board.

Mr. KENNEDY. Why did you approve it?

Mr. SIMS. The board approved it upon the say-so or recommendation or the word of President Cross and Attorney Cooper.

Mr. KENNEDY. Was there any discussion at the time that this money was needed to pay off any witnesses?

Mr. SIMS. There was no discussion.

Mr. KENNEDY. Was there any understanding amongst the board members that that was the purpose of the \$8,000 in cash?

Mr. SIMS. There was no discussion or no understanding. There couldn't have been an understanding if there were no discussion about it.

The CHAIRMAN. Let me ask you something.

Are you telling the committee and the country at large here that you just vote out \$24,000 out of dues funds without having any explanation of what it is for, and what it is going to?

Mr. SIMS. That is correct.

The CHAIRMAN. That is the way your board operates?

Mr. SIMS. That is the way it operated in that situation.

The CHAIRMAN. Do you think it is a proper way for it to have operated?

Mr. SIMS. No.

The CHAIRMAN. Did you agree to it at the time?

Mr. SIMS. I did and I didn't. I didn't vote against it. I didn't vote for it. I just kept quiet.

The CHAIRMAN. Is there some reason for such silence on occasions when the union's funds are being used in such fashion? Is there some particular reason why you kept silence and did not vote for or against it?

Mr. SIMS. Well, if I had opposed it, we would have been in the situation we are possibly in now.

The CHAIRMAN. You would have gotten suspended a little earlier, you think?

Mr. SIMS. Possibly.

Senator MUNDT. You were at the meeting when the money was voted, were you not?

Mr. SIMS. Yes.

Senator MUNDT. Can you reconstruct for the committee, as well as your memory can recall, what was said by either the president, Mr. Cross, or by the attorney, Mr. Cooper, in presenting the bill to the board?

Mr. SIMS. This whole discussion before the board didn't last but maybe 1, 2, or 3 minutes. It was handled very quickly. To the best of my memory, President Cross stated that, due to this situation that had happened there in San Francisco, that certain expenses had been incurred, and that it would require board approval.

Attorney Cooper stated how it was to be divided up. I think President Cross said a word or two after that.

Then it was put to a vote.

Senator MUNDT. Did any member of the board raise any question or ask for any particulars or want to know what the money was to be used for?

Mr. SIMS. No.

Senator MUNDT. Do you feel that there are other members of the board who may have shared your reticence for the same reason that

you manifested it, that to oppose Mr. Cross and Mr. Cooper might jeopardize your position on the board, and, consequently, they did not ask any questions?

Mr. SIMS. Possibly so, yes.

Senator MUNDT. It was just pushed right through in a couple of minutes of discussion, with nobody raising any questions, and nobody voting in the negative, and nobody wondering what was to be done with the money; out loud, anyhow?

Mr. SIMS. That is right.

Senator MUNDT. All right.

The CHAIRMAN. Are there any further questions, Mr. Counsel?

Mr. KENNEDY. There is just one question. At this executive-board meeting, was it discussed that this \$24,000 was for the legal fee for Herman Cooper, that he had incurred while out in San Francisco for 2 or 3 weeks, rather than in connection with this fracas?

Mr. SIMS. There was nothing in the discussion whatsoever about any legal fees for Attorney Cooper in this matter.

Mr. KENNEDY. This \$24,000 was explained to you to be in connection with this fracas?

Mr. SIMS. That is right.

Mr. KENNEDY. That was the only discussion?

Mr. SIMS. That is right.

The CHAIRMAN. Had there been a lot of discussion about it before you had the executive-board meeting? Maybe you had an understanding prior to the meeting as to how you were going to handle it.

Mr. SIMS. I certainly had no prior understanding about it.

The CHAIRMAN. Had anyone discussed it with you prior to the meeting?

Mr. SIMS. No, sir. In fact, the figure of \$24,000 was as big a surprise to me as it was to you.

The CHAIRMAN. You never heard of it when you went into the meeting?

Mr. SIMS. No, sir.

The CHAIRMAN. All right.

Senator MUNDT. What was your individual reaction when you first heard the figure? Did you think it was a little bit large?

Mr. SIMS. I thought it was ridiculous.

Senator MUNDT. You thought it was ridiculous? It just did not seem to you in your mind that they could justify an expenditure of that much money for the kind of incidents that occurred at the convention; is that right?

Mr. SIMS. That is right.

Senator GOLDWATER. Mr. Chairman.

The CHAIRMAN. Senator Goldwater.

Senator GOLDWATER. Mr. Sims, before you get off the stand, 2 weeks ago tomorrow, I believe it was the day, Mr. Stuart came before this committee and took the fifth amendment. To your knowledge has the ethical practices committee of the AFL-CIO done anything about that as yet?

Mr. SIMS. To my knowledge, I don't know whether they have or not.

Senator GOLDWATER. Your union has affiliated; has it not?

Mr. SIMS. That is correct.

Senator GOLDWATER. I had a few questions that were not pertinent to the subject we are on this afternoon, Mr. Chairman, but I wanted to ask them. They can be answered quickly.

In your capacity as secretary-treasurer of the international union, did you ever contribute union funds directly to political candidates?

Mr. SIMS. No.

Senator GOLDWATER. Did you ever contribute union funds to either political party?

Mr. SIMS. No.

Senator GOLDWATER. Did you have any assessments on your members for political purposes?

Mr. SIMS. No.

Senator GOLDWATER. Thank you very much.

Senator MUNDT. In the same line, did you ever contribute union funds to COPE?

Mr. SIMS. Not through the international union. I mean, not of international union funds. The local unions in some instances would make considerations to COPE and, through error, would forward the money to us, and we would in turn forward it to them. But no international moneys.

Senator MUNDT. Moneys transmitted to you but not made available to you from the local treasury?

Mr. SIMS. That is right.

Senator MUNDT. From what was the local money provided? Was it money taken from dues, or where did they get their money?

Mr. SIMS. No; it was voluntary considerations. As far as I know, there was no donation, political donation, made from local union treasuries.

Senator GOLDWATER. I have one more question or two. On the ledger sheets that I have before me on the 27th of November 1956, it shows several payments to steamship lines, the United States Lines, one payment—this is the attorney's books. I am sorry. Pardon me. Excuse me.

The CHAIRMAN. Mr. Sims, I have before me what purports to be the charges that you made against Mr. Cross and Mr. Stuart. This is from the transcript of special session of the general executive board of your union.

I notice these are charges and generalities, and counsel has interrogated you in terms of generalities. I am not going to go into the specifics at this time. We have already heard a great deal of testimony, such that Mr. Cross will certainly be given an opportunity to comment upon it.

When I excuse you from the stand, I shall expect you to stand by, subject to being recalled. I may want to ask you about the specifics of these charges, although we have already had a number of them, I think, testified to under oath before this committee.

Senator MUNDT. This may have been asked before I arrived in the committee room this afternoon, Mr. Sims, but I would like to ask how you got your position as general secretary-treasurer of the international union.

Were you elected by the members in open convention? Were you elected by the membership by referendum or were you elected by the executive board?

Mr. SIMS. I was elected by the executive board in December 1952, and then I was elected by the delegates to the convention in October of 1956.

Senator MUNDT. For how long a term?

Mr. SIMS. Five years.

Senator MUNDT. Does the constitution of your international provide that the executive board can divest of office a man elected by the membership at a convention?

Mr. SIMS. Yes.

Senator MUNDT. Upon the preface of charges?

Mr. SIMS. Charges, that is right.

Senator MUNDT. So the action they took was based on charges they presented in conformity with the constitution of the international?

Mr. SIMS. Well, the preferring of the charges was in agreement with the constitution, but my suspension was not in conformity with the international constitution.

Senator MUNDT. Will you explain what you mean by that?

Mr. SIMS. There is nothing in the international constitution that gives the general executive board the authority to suspend an international officer. Charges may be preferred against an international officer and a trial held. If the party is found guilty, then they can simply move in any such way they see fit to do. But until that is done, there is no suspension.

Senator MUNDT. The fact remains that in your case, the charges were made but the trial was not held?

Mr. SIMS. Charges were made against me on the 6th of March and I was suspended in the wee hours of the morning of the 8th.

Senator MUNDT. And the board had no constitutional authority to do that without first of all holding a trial and finding you guilty?

Mr. SIMS. That is correct.

Senator MUNDT. So the action they took against you was outside of their authority as a board, if they were going to comply with the constitutional standards established by your own international union?

Mr. SIMS. That is right.

Senator MUNDT. That is what I wanted to put down.

The CHAIRMAN. Do I understand you are still drawing your salary?

Mr. SIMS. That is correct.

The CHAIRMAN. It looks like they would be getting some work out of you. I am going to hurriedly read these charges, because I want to get them into the record. I do not believe these have been placed in our record. After I read them, I will interrogate you briefly about them. These are the charges that you filed against James G. Cross and George Stuart.

1. President Cross wrongfully expended the funds of the international and of the health and welfare fund, and wrongfully diverted the property of the international for his personal pleasures and uses.

Do you state that is a fact?

Mr. SIMS. That is correct.

The CHAIRMAN (reading) :

President Cross and Vice President Stuart have conducted the affairs of subordinate affiliates while under the trusteeship of the international union for their own unwarranted financial gain and profit.

Is that true?

Mr. SIMS. Yes.

The CHAIRMAN. I want these things, if they are within your personal knowledge, but if they are not, I want you to qualify your answer.

Three: President Cross and Vice President Stuart have submitted vouchers for excessive and unjustified expenditures.

Mr. SIMS. It is true.

The CHAIRMAN. Is that aside from and in addition to the \$24,000 fracas?

Mr. SIMS. Oh, yes.

The CHAIRMAN. I see.

Four: President Cross has been maintaining an interest in the relationship with a person of ill fame and criminal repute and record.

What do you say about that?

Mr. SIMS. It is correct.

The CHAIRMAN. Do you mean at the expense of the union dues?

Mr. SIMS. Yes.

The CHAIRMAN (reading):

Five. President Cross has been maintaining close alliances with employers in the industry with whom the union negotiates on behalf of its members.

What do you say about that? Is it true or false?

Mr. SIMS. It is true.

The CHAIRMAN (reading):

Six: President Cross falsely denied to delegates of the 25th convention of the international union in San Francisco, Calif., that in the early morning of October 21, 1956, he personally was present in the hotel room of official delegates to that convention from the cities of New York and personally engaged in the events that became the subject of criminal investigation and of nationwide adverse publicity to the international union.

First, may I ask you if you refer to the incident that has been testified to here and which you describe overall and generally as a fracas?

Mr. SIMS. That is correct, sir.

The CHAIRMAN. Do you know, of your personal knowledge, that he was present in those hotel rooms at the time of the fracas?

Mr. SIMS. The only knowledge that I have of it is what I was told by people that were told by the ones that were there.

The CHAIRMAN. That is not within your personal knowledge other than from information you have?

Mr. SIMS. That is right.

The CHAIRMAN. I wanted to determine whether you were present.

Mr. SIMS. No, sir.

The CHAIRMAN (reading):

Seven: President Cross and Vice President Stuart did, in fact, participate in the events mentioned in charge No. 6, above, and were directly responsible for the consequent criminal investigation and adverse publicity and for substantial expense to the international union.

The substantial expense you refer to there is the \$24,000 item?

Mr. SIMS. That is correct, plus.

The CHAIRMAN. Plus?

Mr. SIMS. Yes.

The CHAIRMAN. How much plus?

Mr. SIMS. Well, there was the \$250 that I gave John Long and then I put up \$2,000 for cash bonds.

The CHAIRMAN. Did you get your bondage money back?

Mr. SIMS. No, sir.

The CHAIRMAN. Your money is still up for their bonds?

Mr. SIMS. As far as I know, it is.

The CHAIRMAN (reading):

Eight: President Cross sought to obscure his own conduct on the said morning of October 21, 1956, and abused his power and trust as international president by arranging and causing charges to be brought against the said delegates from New York, based on premises which he knew to be false and on an alleged investigation that, in fact, was never made.

What do you say about that one?

Mr. SIMS. Well, there was a committee appointed to investigate what had happened out there.

The CHAIRMAN. You are talking about the fracas?

Mr. SIMS. Yes; I am still talking about the fracas. From the report that I get from the members that were on the committee, there was no investigation. Coming out of the investigation was charges that were preferred.

The CHAIRMAN. Charges preferred against Kane and others. He testified this morning that charges had been preferred against him, but he never has been tried on them, I believe.

Mr. SIMS. That is correct.

(At this point, Senator Goldwater withdrew from the hearing room.)

The CHAIRMAN. I have read you all eight of the charges and, as I stated a few moments ago, it may be necessary to call you and interrogate you regarding the specifics involved in these charges.

Are there any other questions? If not, you may stand aside for the present, Mr. Sims, subject to being recalled.

Mr. HARRIS. Mr. Chairman, if you please, pursuant to rule 11, I have some questions that I would like to submit on behalf of Mr. James Cross for cross-examination of Mr. Sims.

The CHAIRMAN. The Chair wants to make this observation again: I put Mr. Cross on the stand this morning and we expected him, in view of his statement under oath, to answer every pertinent question asked him regarding these transactions.

I would not indulge you to do this. I would not tolerate it except on that condition. Remember, we are proceeding with that understanding. Let me look at them first.

(Documents were handed to the committee.)

The CHAIRMAN. I will ask you these questions, Mr. Sims.

Senator MUNDT. These are asked in behalf of Mr. Cross, are they?

The CHAIRMAN. These are asked under rule 11 by Mr. Cross' attorney. You were not here this morning. Before I would consent to permit Mr. Cross, through his attorney, to have the committee cross-examine, I placed Mr. Cross on the stand to ascertain whether he was going to cooperate with the committee and answer all pertinent questions which might be asked him.

Therefore, I am proceeding upon that basis.

Senator MUNDT. And Mr. Cross has said under oath that he would?

The CHAIRMAN. He said under oath that he would; yes.

This is a question directed to you from counsel representing Mr. Cross. Is it not true that you voted to approve all the constitutional changes, both in the general executive board and at the convention?

Mr. SIMS. Yes.

The CHAIRMAN. Another question: Is it not true that under the constitution, before it was amended, as well as since, you at no time failed to sign any checks or vouchers submitted to you by Mr. Cross or Mr. Stuart?

Did you understand the question?

Mr. SIMS. Yes. That is true as far as President Cross is concerned after, on several occasions, discussing vouchers with him. It is not true for Vice President Stuart because on some instances I would not initial the voucher and made him refill it out again.

The CHAIRMAN. In refilling it out, did he modify the amount of it or reduce the amount of it?

Mr. SIMS. The amount was never reduced, but at least he put on the voucher what it was for.

The CHAIRMAN. Made some explanation of it?

Mr. SIMS. That is right.

The CHAIRMAN. Then you did refuse until the voucher was so corrected?

Mr. SIMS. That is correct.

Senator MUNDT. You said the answer to the question was true insofar as Mr. Cross was concerned, but on some instances preceding your signing the checks, you had some discussion with him.

Was that also concerning the information included in the voucher or were you raising questions as to the legitimacy as to the expenditures or as to the amount? What was the nature of the discussion?

Mr. SIMS. I raised the question as to what it was for.

Senator MUNDT. After you raised the question, did he then write into the voucher more specific information about it?

Mr. SIMS. President Cross, to my knowledge—I mean he never made out another voucher. I think the explanation he gave me I accepted as given.

Senator MUNDT. You accepted his verbal explanation?

Mr. SIMS. That is right.

The CHAIRMAN. Here is another question: Is it not true that the hearing on the charges made by you against Mr. Cross was presided over by Vice President Conway, that the secretary was Vice President Di Concini, and that the vote was by secret ballot?

Mr. SIMS. Chairman of the meeting, or the hearing officer, was Conway and the secretary was Di Concini. But as to how the vote was conducted, I have no way of knowing because I was not present.

The CHAIRMAN. The next question——

Mr. SIMS. I believe the transcript would show that.

The CHAIRMAN. Is it not true that your suspension resulted from the unanimous vote of the general executive board?

Mr. SIMS. Well, the trial board are the ones that were present in that board and can speak for themselves. I was not present and have no knowledge other than hearsay what went on.

The CHAIRMAN. You do not know whether the vote was unanimous or not? Were you ever told?

Mr. SIMS. I was told that it was unanimous.

The CHAIRMAN. It was reported to you as being unanimous?

Mr. SIMS. Yes, sir.

The CHAIRMAN. Question: Is it not true that you, as secretary-treasurer of the international union, received all daybook sheets showing all local union expenditures and that it was your responsibility to examine such daybook sheets?

Mr. SIMS. That is true. I might say further, I did.

The CHAIRMAN. Sir?

Mr. SIMS. And I might say further that I did do that.

The CHAIRMAN. All right. Question: Is it not true that it was your responsibility to report any unusual or questionable items appearing on those daybook sheets to the general executive board or to Mr. Cross?

Mr. SIMS. I reported them to President Cross.

The CHAIRMAN. It was your duty to do it?

Mr. SIMS. I did do it.

The CHAIRMAN. You did report them to him?

Mr. SIMS. The Chicago situation was taken up with President Cross and Vice President Stuart.

The CHAIRMAN. Yes. Question: Is it not true that you never brought any such items to the attention of the general executive board?

(At this point, Senator Goldwater entered the hearing room.)

Mr. SIMS. Not officially. It was brought to the attention of many of the executive board members while not in session. On several of the board occasions, individually or collectively with 2 or 3 or 4, these things were discussed with the board members.

The CHAIRMAN. In the answer to the previous question you said you did report them to Mr. Cross.

Mr. SIMS. That is correct.

The CHAIRMAN. And in other instances you talked to different board members about them?

Mr. SIMS. Correct.

The CHAIRMAN. But you did not bring them up officially before the board when it was in session?

Mr. SIMS. Correct.

Senator MUNDT. Did any of the board members to whom you had reported the facts bring them up at the meeting?

Mr. SIMS. No. It was never brought up at the board meeting.

Senator MUNDT. Either by Mr. Cross or by any of the board members, despite the fact that you had advised them of the conditions which prevailed?

Mr. SIMS. It was never brought up before the board by any individual member and I never brought it up because the discussions with these board members at various times about what was going on, plus discussing it at length on several occasions with President Emeritus Winter, he advised against me taking it up with the board.

The CHAIRMAN. With whom did you discuss it?

Mr. SIMS. President Emeritus Winter, the retired past president.

Senator MUNDT. He advised against taking it up with the board?

Mr. SIMS. That is right.

Senator MUNDT. Did he give you the basis on which he arrived at that?

Mr. SIMS. He told me I couldn't win.

Senator MUNDT. He had had some experience with the same board himself, had he?

Mr. SIMS. I don't think he—as far as I know, he had had no experience with them, but he possibly knew them better than I did.

The CHAIRMAN. Another question: Is it not true that you never brought any such items to the attention of President Cross, with the exception of some items relating to Mr. Stuart?

Mr. SIMS. No; that is not true.

The CHAIRMAN. You did bring other items to his attention?

Mr. SIMS. Certainly.

The CHAIRMAN. Question: Is it not true that on the union books—

Senator MUNDT. Before we leave that, Mr. Chairman, so that we will have the information that has become a point of controversy, I have a question.

Could you tell us some of the items that you did bring to his attention besides the ones involved concerning Mr. Stuart?

Mr. SIMS. I brought up vouchers on quite a few occasions of Vice President Crawford, because I wouldn't O. K. them, because they were too vague in what they were for. I questioned vouchers of John Nelson, whose name has been mentioned here in these hearings previously.

I questioned vouchers of Frank Gardone and I certainly asked President Cross for explanations on some of the items that he had submitted vouchers for. One in particular that I recall was a \$2,100 or \$2,200 item for expenses for supposedly sending people to Los Angeles, Calif., to help out in the strike that Stuart was supposed to have sent out.

The voucher was made out payable to President Cross. There were no names on it, there was no supporting evidence to the voucher. There was no nothing. I wanted to know where it went. On other occasions there were other vouchers.

The CHAIRMAN. Did you ever find out where that money went?

Mr. SIMS. No, sir.

The CHAIRMAN. The last and final question: Is it not true that on the union books, you charged the entire \$24,000 to Mr. Cooper's law firm?

Mr. SIMS. That is not true to the best of my knowledge. It is entered on the books as such.

The CHAIRMAN. As what?

Mr. SIMS. It is entered on the books as the way it was written. The \$8,000 check was written payable to cash. The \$16,000 was made payable to Herman Cooper. Certainly, they could not have been entered and charged all to him. It was charged all to convention expenses. At least, that is the instructions I gave the office manager.

The CHAIRMAN. In other words, Mr. Cooper got all of the \$24,000?

Mr. SIMS. Yes, he got the full \$24,000.

The CHAIRMAN. Well, this question is: Is it not true that on the union books you charged the entire \$24,000 to Mr. Cooper's law firm?

That is what you are saying now, you did.

Mr. SIMS. No. To the best of my knowledge——

The CHAIRMAN. It was paid to him.

Mr. SIMS. It was paid to him and charged to convention expenses.

The CHAIRMAN. I see. That is the difference.

Are there any further questions?

Senator GOLDWATER. Mr. Sims, is Mr. Cooper the lawyer for the international union?

Mr. SIMS. He is the general counsel for the international union.

Senator GOLDWATER. Do you pay him a retainer?

Mr. SIMS. We pay him a retainer of \$25,000 a year.

Senator GOLDWATER. And this was just extra-curricular activities he was paid for, this \$24,000 in addition?

Mr. SIMS. It was my understanding of the \$24,000 that he was not to get any of it, that it was to go for other purposes, for other legal services not for his legal services.

Senator GOLDWATER. That was your understanding during the meeting, that the \$24,000 to go to Mr. Cooper was not to be retained by him, but was to be used by him for other purposes?

Mr. SIMS. That is correct.

Senator GOLDWATER. Did he ever outline to you the other purposes?

Mr. SIMS. No, sir.

Senator GOLDWATER. And you have never seen a statement of his to that effect?

Mr. SIMS. No, sir.

The CHAIRMAN. All right.

Senator MUNDT. As a member of the union, would you interpret the intent of the executive board after hearing your charges, after seeing the charges made against you, would you interpret the intent of the board that they wanted to leave with the members the impression that Mr. Cross and Mr. Stuart had been cleared by them of the charges made against them, and that you had been found guilty of the charges that they in turn had made against you?

Was that the intent of the executive board action?

Mr. SIMS. That is correct. You see—I might make this statement here—the charge against me of going to the press was also done in reality by President Cross on the charges against the New York fellows.

He called in the press about noon of the day, and the information and the copy of the charges and all the information was given to the press. It appeared in the New York Times in the morning.

The charges weren't mailed out of this office until 11 o'clock the next day. Then, of course, the defendants didn't get the charges until the following day. So what I was charged with was done 4 months previously by President Cross himself.

Senator MUNDT. Actually, in both cases, yours and Mr. Cross', is it not true that by going to the press, that is the only way that both of you had to let the dues-paying members throughout the country know what the controversy was about, and what the charges were, but what the conditions were.

Mr. SIMS. I did not go to the press.

Senator MUNDT. You did not go to the press?

Mr. SIMS. No, sir.

Senator MUNDT. Did your charges not hit the press?

Mr. SIMS. They hit it, but I didn't give it to them.

Senator MUNDT. How did they hit it?

Mr. SIMS. That I don't know.

Senator MUNDT. What is wrong with the union officials having the members who pay the dues read through the columns of the newspapers what is happening to the union?

Mr. SIMS. I am not saying there is anything wrong with it; I am just saying I didn't give it to them.

Senator MUNDT. What is wrong with Mr. Cross submitting his charges? Whether they are true or false they have to be substantiated. Should not the union dues-paying members be informed what the officials do in these matters?

Mr. SIMS. That is true. The whole question is the inconsistency.

Senator MUNDT. I quite agree with you. I was under the impression that you both had given them to the press. I see nothing wrong with your doing it and nothing wrong with Mr. Cross doing it. It is obviously inconsistent for Mr. Cross to criticize you for actions he himself has engaged in, whether or not you gave this to the press.

The CHAIRMAN. Thank you very much. You may stand aside for the present.

Mr. Herman Cooper.

Mr. Cooper, will you be sworn? You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth so help you God?

Mr. COOPER. I do.

TESTIMONY OF HERMAN COOPER

(Present at this point were Senators McClellan, Mundt, and Goldwater.)

The CHAIRMAN. State your name and profession.

Mr. COOPER. My name is Herman E. Cooper. I am a member of the law firm of Cooper, Ostrin & DeVarco. We have offices at 655 Madison Avenue, New York City.

The CHAIRMAN. You reside here in Washington?

Mr. COOPER. I reside in New York City, sir.

The CHAIRMAN. Mr. Cooper—

Mr. COOPER. May I, Mr. Chairman, if I may, request, respectfully, the privilege of a few introductory remarks which I consider to be pertinent to any questions which you may have?

The CHAIRMAN. The Chair is going to make a few introductory remarks himself.

Mr. COOPER. I, of course, will waive to the Chair, as I necessarily must.

The CHAIRMAN. I do not believe, Mr. Cooper, you have been subpoenaed as yet, have you?

Mr. COOPER. I have not been subpoenaed.

The CHAIRMAN. Do you care to waive a subpoena or would you prefer to have one served upon you?

Mr. COOPER. Of course, I am pleased to waive the service of the subpoena.

The CHAIRMAN. Thank you. Being an attorney, I assume you waive the right of having counsel present?

Mr. COOPER. I was advised by a very young man that a lawyer who represented himself had a fool for a client, but I will chance it today.

The CHAIRMAN. I think you are safe in doing that.

You have been present here in the hearing room and have heard testimony given here today by witnesses that preceded you on the witness stand. The committee has called you to give you an opportunity, first, to make such explanation of the testimony that you heard as you care to make.

The Chair appreciates that in some respects or in some instances, maybe, the relationship of client and attorney may prevail. It might be that you would need to get the permission of those whom you represent before you could testify as to some matters you may be interrogated about.

But we shall proceed, and as these questions come up we will try to make the proper ruling on them if any question is raised about them. However, I do feel, certainly, that we are being most fair to you in giving you this opportunity. Some of this testimony, with some interpretations, unless it is explained, reflect upon you a little.

Mr. COOPER. Mr. Chairman, I appreciate your observations and your concern with the impact on me as a member of the bar of the inferences and assumptions which have been suggested here by the previous witness.

I, of course, am not responsible for any mental operations he may have displayed, but I am prepared to explain to the best of my ability any questions which do not trespass on my relationship with my clients.

At this moment, I cannot anticipate any such questions. I would like it to be noted that I am a member of the New York bar, the Federal bar and the bar of the United States Supreme Court and I have been admitted now some 25 years. For the past twenty-odd years I have specialized in the field of labor relations.

My office consists of 4 partners and 10 other associate attorneys who are on payroll with us. We have what may be considered to be one of the outstanding labor-relations offices in the country, in our own estimate, and I hope, in the estimates of some grateful clients.

The CHAIRMAN. We sometimes allow these plugs. Go ahead.

Mr. COOPER. In this setting, Mr. Chairman, this may be a very helpful and perhaps necessary one. I think it is important that anything I say be considered against that backdrop because it is very easy to talk in terms of how much a lawyer receives without evaluating what a lawyer does for the fees which he does receive.

Some of these amounts may appear to be disproportionate. I think you are primarily concerned with the situation in San Francisco. I think it should also be noted for the record and I think can be confirmed by both your general counsel, Mr. Kennedy, Mr. Kopecky, and others, that I have at all times in my individual capacity, been cooperative.

I have appeared for individual interrogation before Mr. Kopecky, have made myself available to him. I have, with great mental reservations, opened to his representative the books of account of my firm. I did this because, necessarily, those accounts and records carry information which relates not alone to this organization but, necessarily, to other clients with whom we are related as counsel.

However, I am certain that none of the other items which appear on my books will become a matter of public notice or concern. To the degree that the questions are limited to the relations with this union, I feel no constraint, and I am relieved, if I may say so, to answer any questions which bear on that subject matter.

The CHAIRMAN. All right. We will certainly start out by directing all questions to this transaction, the transactions that have been testified to here and any others that may be pertinent to this particular union.

It is not the purpose of the committee, necessarily, to go to other accounts. That part of your record as to other accounts as of now, unless something develops to warrant a different ruling, will not be made public. We will proceed.

Counsel, you may interrogate the witness regarding the subject matters that have been testified to here today.

Mr. KENNEDY. Do you want me to start on the San Francisco matter, Mr. Chairman, or does it matter?

The CHAIRMAN. It seems to me it would be a good place to start.

Mr. KENNEDY. There has been some testimony here, Mr. Cooper, that you received \$8,000 in cash when you were out in San Francisco and, in addition to that, received some \$16,000 more in the form of checks. Could you tell us first, what is your annual retainer from the international union?

What other moneys did you receive from the international union?

Mr. COOPER. From the international union itself we receive an annual retainer of \$25,000.

Mr. KENNEDY. You received that in 1956?

Mr. COOPER. My firm received that in 1956.

Mr. KENNEDY. Did you receive any other moneys, other than the ones I have just discussed with you from the union in 1956?

Mr. COOPER. Not from the union as a union; no.

Mr. KENNEDY. Well, did you receive it from anyone or any union associated with this union or any part of it?

Mr. COOPER. Yes. We represent a local union of this international in New York City, local 3.

Mr. KENNEDY. How much did you receive from them?

Mr. COOPER. Without the figures, I don't have it before me—

Mr. KENNEDY. Approximately.

Mr. COOPER. I think it is probably \$10,000 or \$12,000.

Mr. KENNEDY. Did you receive any other moneys from the union?

Mr. COOPER. Not from the union as a union.

Mr. KENNEDY. What do you mean by that?

Mr. COOPER. Well, my office is also general counsel by unanimous vote of employer trustees and union trustees of the national bakery and industry welfare plan and the national industry pension plan.

Mr. KENNEDY. How much do you receive from those?

Mr. COOPER. Last year we received from each of those funds \$10,000. This year we received additional amounts for services rendered to the pension plan last year and we have since been increased.

I might indicate that these are plans which involve some \$20 million a year in income and that our services to these plans, as general counsel, involve effort considerably in excess of any fees which we have received from them.

Mr. KENNEDY. Were there any other fees that you received?

Mr. COOPER. Do you mean from the international union?

Mr. KENNEDY. From the international or anything connected with the international.

Mr. COOPER. We have received fees this year, of course.

Mr. KENNEDY. I am talking of 1956.

Mr. COOPER. All we received from 1956 was the 10 from the welfare, the 10 from the pension, the 25 from the international, and the 15 this year that related to last year.

Mr. KENNEDY. What was that?

Mr. COOPER. That has to do with a pension plan, a self-administered plan.

Mr. KENNEDY. Was that in addition to the ten?

Mr. COOPER. Yes. That we received this year in relation to its organizational activities and its arrangements with the Chase Manhattan Bank under a contract arrangement which we are contact to. In addition to that, at the convention, as has been testified, we received and were authorized to receive the sum of \$24,000, and which we did receive in November 1956.

Mr. KENNEDY. Did you receive anything in addition to that?

Mr. COOPER. I cannot at this moment recall receiving any other fees. We have received some reimbursable expenses. You have all the records. I have made all of these available to you. I have given you copies of my bills. I have given you copies of the vouchers, so you have all of the information.

I have none of it before me. I have testified with respect to these funds to the best of my recollection.

Mr. KENNEDY. So you received \$57,000 excepting the \$15,000 which you received this year. Leaving that out, you received \$57,000, and then plus the \$24,000 out in San Francisco?

Mr. COOPER. Well, you have to distinguish, Mr. Kennedy, as I am sure as a lawyer you must—

Mr. KENNEDY. I am just adding them up.

Mr. COOPER. You have to distinguish between the fees our firm receives from the union for services rendered to the union and the fees we receive as counsel to the trustees of the national-welfare plan, and to the trustees of the pension plan. They are separate and distinct.

Mr. KENNEDY. I am talking about the connection with the Bakers and Confectioners Union.

Mr. COOPER. If you want to relate that, we attempt to keep the trustees separate and apart in any union interests and activities and do. This is by joint action of the trustees of both those funds.

Mr. KENNEDY. I am sure you do.

The CHAIRMAN. We have identified each one. I mean you have.

Mr. COOPER. I am satisfied.

The CHAIRMAN. There is a \$25,000 retainer from the union and \$10,000 each from the funds. That would be \$45,000. Then you received, in addition last year, \$24,000 from union funds for the San Francisco affair.

Mr. COOPER. Yes.

Mr. KENNEDY. And then \$12,000 from the local.

Mr. COOPER. Local 3, which is a separate and also, may I add, a nonremunerative activity in our office.

The CHAIRMAN. I am not complaining about the amount of fees that you receive. I think lawyers should be paid.

Mr. COOPER. Thank you, sir. Some of us are.

The CHAIRMAN. Last year, the total was \$18,000 from the union and its affiliates.

Mr. COOPER. If that is the total, sir.

The CHAIRMAN. Well, I think they are affiliated with the union. Do you?

Mr. COOPER. Do you mean the trustee plans?

The CHAIRMAN. Yes.

Mr. COOPER. I don't think so, sir.

The CHAIRMAN. Where do they get their money?

Mr. COOPER. They get their money from employer considerations exclusively. They are administered under the Taft-Hartley law independent of either the union or the employers.

The CHAIRMAN. I can appreciate that. They are entirely separate funds, but they come as a result of a union being in existence.

Mr. COOPER. I would agree, except for the fact that I was a union attorney, it is unlikely I would have been selected as general counsel.

Mr. KENNEDY. And beyond that you received your reimbursable expenses. In San Francisco you received \$3,973.27 for your expenses to San Francisco?

Mr. COOPER. That is right; my expenses, and my assistant, John Long, who was also present for the entire convention.

Mr. KENNEDY. You received \$8,000 of the \$24,000 in cash; is that right?

Mr. COOPER. Yes.

Mr. KENNEDY. What did you do with that \$8,000?

Mr. COOPER. May I have the privilege, sir, before explaining what I did with it, to review the circumstances under which I received it?

I think that that is a pertinent concern to this committee in view of the testimony of the previous witness.

The CHAIRMAN. Let us start with the whole \$24,000. What was that for?

Mr. COOPER. Mr. Kopecky has in his possession 8 affidavits, 4 of which he solicited and 4 of which were made available and others which are, of course, procured, from a majority of the members of the general executive board who attended the meeting on November 1, which has been referred to by Mr. Sims, and at which this transaction took place.

The recollection of the members of the executive board and of my own is as follows—

The CHAIRMAN. Were you present at that time?

Mr. COOPER. I was present.

The CHAIRMAN. All right. You can testify from your own knowledge.

Mr. COOPER. From my own knowledge, I believe there was an introductory statement made by President Cross in which he indicated that there had been legal expenses incurred by him and by then Vice President Stuart, Frank Mykalo, and Frank Gardone in defending themselves before the grand jury with respect to the charges they were required to meet.

It was stated, perhaps by him or by others, that this item was one, in view of the action of the grand jury, which might more properly be

assumed by the general executive board, in that these individuals were not in the position to carry the legal costs of such a defense and in view of the fact that it is unlikely that they would have been involved except for the fact that they were union officers and union representatives.

At that point, I was either called on or volunteered and discussed the fact that such counsel had been retained to perform services, that there was an obligation to them, and I also included in my statement the fact that my firm had been required to perform extraordinary services in connection with the preparation for the convention and the convention itself which were not, in my judgment, properly incorporated within the regular and annual retainer which we received.

These conventions come once every 5 years. Another member of my firm and myself had spent 3 solid weeks in San Francisco, away from our office and away from our activity and other clients. There must have been at least 2 or 3 months of actual time consumed in preparation for the convention, particularly in the preparation of the appropriate changes in the constitution.

There had been a number of meetings held in Washington. I had been away from my office a great deal in anticipation of the activity of the convention. We had, in my judgment, performed these extra services and, in my judgment, were entitled to extra compensation for it.

I was asked by a member of the board what I would consider to be a fair fee to cover myself and to cover the payment to these other attorneys. I mentioned the sum of \$24,000. There were comments of pleasure by most of the members of the board.

They felt that my services to the union—they were very pleasant about it—had entitled me to this extra compensation. As you can visualize from what you heard here, the convention was a very, very difficult one. It consumed day and night activity on my part and my associates. The preparation had been most arduous and time-consuming.

There was no problem. Not a single member of the board raised the slightest objection to this amount of \$24,000 as covering both my firm as well as the reimbursement to these other attorneys.

The CHAIRMAN. Mr. Cooper, let us get down to some of the real specifics. Now, give us the names of the other attorneys and the amount.

Mr. COOPER. I have turned over to Mr. Kopecky checks made out to two San Francisco law firms which I would suggest, if I may, respectfully, be made a part of the record.

The CHAIRMAN. Do you have the checks?

Mr. KENNEDY. Here are some checks.

The CHAIRMAN. The Chair presents to you a check dated October 31, 1956, in the amount of \$3,080, drawn by your law firm, signed by you—I can't make out the name. I will just present the check to you. It is No. 2077, a photostatic copy of the check.

I will let you tell us whom that check is to. I cannot read it.

(A document was handed to the witness.)

Mr. COOPER. This is a check made to the payment of Ashe and Pinney and in the left lower corner it says, "People versus Cross."

The CHAIRMAN. In other words, Cross was costing his union that much money for that one lawyer?

Mr. COOPER. I am not in a position, if the Chair please, to evaluate the services for which an attorney should receive——

The CHAIRMAN. I do not know whether it was worth it or not, but that is what it cost the union members.

Mr. COOPER. It is a question that, in all fairness, might not have been involved had other circumstances prevailed.

The CHAIRMAN. I think there are circumstances where it would not have been involved. I will agree with you. That check may be made exhibit No. 43.

(The document referred to was marked "Exhibit No. 43" for reference and will be found in the appendix on p. 3181.)

The CHAIRMAN. The Chair presents to you another check dated October 31, 1956, drawn by your firm, signed by you, to Leslie C. Gillen in the amount of \$3,050. Apparently, you have a notation on the corner that it is for "*People v. Stuart et al.*" I wish you would identify this check.

(A document was handed to the witness.)

Mr. COOPER. The check is made payable to Leslie C. Gillen. I can identify this as the check drawn on my office account, signed by me and dated October 31, 1956, with the notation, as the chairman has indicated, in the left corner, "*People v. Stuart et al.*"

Senator MUNDT. Is Mr. Gillen a San Francisco attorney?

Mr. COOPER. They are both San Francisco attorneys. Mr. Cross appeared by the firm of Ashe & Pinney and the other three gentlemen appeared by Mr. Leslie C. Gillen.

The CHAIRMAN. Those 2 checks amount to some \$6,100 plus.

Mr. COOPER. I believe that is the total, sir.

The CHAIRMAN. \$6,160 I am advised. Did you give any checks to any other attorneys out there?

Mr. COOPER. No, sir.

The CHAIRMAN. Well, that is 6 from \$24,000 which leaves about \$18,000. How do we account for the rest of it?

Mr. COOPER. That was legal fees, sir.

The CHAIRMAN. What legal fees?

Mr. COOPER. To my firm. The balance of the \$24,000 represented extra compensation to my firm for the legal services which I have described.

The CHAIRMAN. You have \$16,000 of that in checks. You only paid out \$6,000 to other firms out there in San Francisco for legal fees.

Mr. COOPER. That is right, sir.

The CHAIRMAN. And you got, then, the balance, your firm got the balance from the \$24,000?

Mr. COOPER. Yes, sir.

The CHAIRMAN. What was the occasion for the \$8,000 in cash and the \$16,000 check?

Mr. COOPER. I appreciate the opportunity to explain that.

The CHAIRMAN. All right.

Mr. COOPER. As you will note, these two checks which are already in evidence are dated October 31. I have also made available to Mr. Kopecky 2 other checks totaling about \$2,000, one made payable to the Fairmont Hotel and the other made payable to the Sheraton Palace.

The CHAIRMAN. Those are the two checks I believe I have in my hand. If you are going to testify about them, I wish you would examine them and identify them. They amount to about \$2,400.

The one previously identified will be made exhibit No. 44.

(The document referred to was marked "Exhibit No. 44," for reference and will be found in the appendix on p. 3182.)

The CHAIRMAN. After you examine these, they will be made exhibits 45 and 46.

Mr. COOPER. Check 2079, is in the sum of \$1,062.88, payable to the Sheraton Palace. In the left corner is the name John B. Long. John B. Long was one of my assistants who was with me at the convention, and who stayed at the Sheraton Palace. This was in payment of his hotel bill, part-payment of it.

Senator MUNDT. Is he a member of your law firm?

Mr. COOPER. He works for our law firm.

The CHAIRMAN. That will be made exhibit 45.

(The documents referred to were marked "Exhibit Nos. 45 and 46," for reference and will be found in the appendix on pp. 3183, 3184.)

Mr. COOPER. Check No. 2086, bearing the date October 31, 1956, is payable to the Fairmont Hotel, and is in the total amount of \$1,489.78. On the other side of the check it appears that I received \$400 of that in cash, so that I had, in effect, drawn checks of \$8,000 on October 31, in relation to the convention in San Francisco.

The CHAIRMAN. But no bill was submitted for these other than the overall broad charge of \$24,000, no itemized statement?

Mr. KENNEDY. Plus \$3,793.

Mr. COOPER. I will explain that, Mr. Kennedy, if I am given an opportunity to. May I explain why I received \$8,000 in cash and why I asked for it?

The CHAIRMAN. All right.

Mr. COOPER. At the time of the arrests of Mr. Cross and the other three, I was approached on several occasions by Secretary-Treasurer Sims, during which he discussed with me the possibility of indictment of Mr. Cross.

(At this point, Senator Curtis entered the hearing room.)

Mr. COOPER. Frankly, knowing how grand juries indict, it was my expectation, and that of almost everyone involved, that there would be an indictment found without regard to the ultimate outcome of Mr. Cross' innocence or guilt as might be ultimately determined at a trial.

Mr. Sims spoke to me very earnestly about the fact that he considered Mr. Cross to have been guilty, he considered that Mr. Cross' conduct was reprehensible. He considered that this was the occasion for displacing Mr. Cross, and that it should be done.. To summarize our various conversations, he urged upon me that I, in effect, align myself with him in this effort that he projected for utilizing the situation to displace Mr. Cross.

I told Mr. Sims very categorically that I felt that Mr. Cross was entitled to be tried, if he was indicted; that any action on the part of the union at this time would constitute a prejudgment, and that I felt that it would be grossly disloyal of any one associate to take any action or say anything derogatory of Mr. Cross until he had had his opportunity to be tried.

(At this point, Senator Goldwater withdrew from the room.)

Mr. COOPER. In the course of these various conversations, the prior hostility to me personally of Mr. Sims became increasingly apparent.

The CHAIRMAN. We do not care about that. Let us get down to the money.

Mr. COOPER. If the Chair pleases, I would have no other purpose except in giving this as a reason for my asking for the cash.

The CHAIRMAN. All right. Go ahead.

Mr. COOPER. I had drawn checks against my office account. I had been voted the \$24,000.

The CHAIRMAN. You had been voted that prior to these conversations with Sims?

Mr. COOPER. I had been voted this after the conversations with Sims. I had drawn the checks on the 31st. The board action took place on November 2. I told Mr. Cross that I was most uneasy about what would happen after the board recessed and the union moved back to its regular affairs, particularly with respect to Curtis Sims and what he might project.

I asked Cross—I had not discussed this at the board—I said to Cross that I would appreciate receiving my part of the fee at that point in \$8,000 in cash, and that the balance could be sent to me as a check. I knew that this would show on the books or otherwise be noted as a payment to my firm of \$24,000, which we would have to account for.

Mr. Cross spoke to Mr. Sims, and he had no objection, for reasons which may become clearer subsequently, in drawing a check for \$8,000 in cash, in cashing it at the hotel, in giving it to me without a receipt and without asking a receipt. I had the \$8,000.

About a week later, I received the balance of \$16,000. When I returned to my office in New York, I think it was November 4 or 5, I reported to my partner, who is also office manager, that I had \$8,000 in cash. I gave her a list of the checks which I had drawn so that she could see to the proper entry of those checks, and I gave her the \$8,000 in an envelope which she put in the office safe, on my request that this be charged to me personally but be included as office income as it would necessarily have to be. And that is what took place.

Mr. KENNEDY. When did you deposit the \$8,000?

Mr. COOPER. I deposited the \$8,000 about 2 weeks ago.

Mr. KENNEDY. After we contacted you?

Mr. COOPER. Yes; exactly after you contacted me.

Mr. KENNEDY. Was the \$8,000 in cash listed in with the \$16,000 in your books?

Mr. COOPER. I am not an accountant. We have checked with accountants. Our office accountants made what they consider and what has since in my judgment been confirmed as proper entry. They showed the \$16,000 as a check and they also showed as a journal entry the \$8,000 in cash.

Mr. KENNEDY. They show the \$16,000 as cash.

Mr. COOPER. That is a term used for all checks that come into a lawyer's office.

Mr. KENNEDY. You would think if they had that, they would also put the \$8,000 that they did receive in cash.

Mr. COOPER. That would not be good bookkeeping or accounting because it would have unbalanced the whole month's statement. If

you will notice the records, at the end of the day, all receipts which are deposited are noted accordingly. If you had included \$8,000 which did not pass through the bank, you would have had an unbalanced monthly account there.

Mr. KENNEDY. If there wasn't anything illegitimate about this, why didn't you deposit it in the bank?

Mr. COOPER. I had the \$8,000. It was charged to me. It was my money, since it represented drawings from the firm.

Mr. KENNEDY. Why did it represent that? You said it was a legal fee to the firm.

Mr. COOPER. Exactly. And then the firm charged it to me as my drawing, so I was accountable for it on a drawing as income.

Mr. KENNEDY. The \$16,000 and \$8,000 in cash, why didn't you take this money and deposit it in your bank account? Why did you wait until after this committee started to investigate?

Mr. COOPER. If the committee had not investigated, and if the committee had not prodded me to make it appear that this was an irregular transaction, I would still have retained the \$8,000 in cash. I saw no irregularity in that.

Mr. KENNEDY. Did you give any of this cash to anybody in San Francisco?

Mr. COOPER. I did not. Categorically not.

Mr. KENNEDY. Did you give it to anybody to take a trip out of San Francisco?

Mr. COOPER. Categorically not. I resent the implication. If you have proof of that, I wish you would put it on the record.

Did I give it to anyone? Of course not. Did I give it to anyone to leave San Francisco?

Does that convey an implication?

The CHAIRMAN. Let me point out to you that there is an implication in the whole transaction, if you want to be frank about it. There is a little fracas out there, and somebody got a little skin knocked off of them, that cost that union, apparently, from that bank, \$24,000 of union dues, and the union members are entitled to have an explanation of that.

If this money was paid to you in a lump sum, or \$16,000 of it in a check, and \$8,000 in cash, I think the union members are entitled to the full explanation.

If you paid out any of that money to anyone else, I think this committee has a right to know, and also the union members. You are just being asked the question. You can deny it categorically. Just state the truth. That is all.

Mr. COOPER. That is the truth.

Mr. Chairman, you are also a member of the bar. You can also appreciate the scriptures under which we function as lawyers. You can also appreciate that in the absence of any objective conditions which entitle the asking of that kind of question, the implication is left that I had done something improper with that cash.

The CHAIRMAN. I am not saying that you did.

But the circumstances attending that certainly suggest that such questions should be asked, if this record is to be made clear. Do you not agree, as a lawyer?

Mr. COOPER. I agree, and I hope I have answered them to the best of my ability.

Mr. KENNEDY. You would not want to put yourself as a lawyer in a different class than any other person.

Mr. COOPER. No. Except we are not entitled to commit any wrongdoing any more than any other citizen. By the same token, there should be no implication of wrongdoing in the absence of proof.

Mr. KENNEDY. Not just because you are a lawyer.

Mr. COOPER. I am held to a higher degree as a member of a court, as you well know, than an ordinary citizen, because we are officers of the court.

Mr. KENNEDY. That is correct.

The CHAIRMAN. The Chair will hold that questions regarding the \$24,000, the use of it, the expenditure of it, the disposition of it, how it was handled, are completely pertinent to this inquiry, to know whether union funds were misappropriated or misused.

Senator MUNDT. I would like to inquire a little bit, Mr. Chairman, about the \$8,000 in cash, and the reason why Mr. Cooper did not put it in the bank.

You said had it not been for this inquiry that you still would have the \$8,000 in cash in your safe.

Mr. COOPER. Right.

Senator MUNDT. As a lawyer, you are not suspicious of bankers, are you?

Mr. COOPER. Well, Senator, I still am young enough and old enough to remember when the banks closed down in 1933, but that is not the reason I kept it.

Senator MUNDT. Well, will you give us a better reason?

Mr. COOPER. Another reason was that the \$8,000 was in currency. I must have had in back of my mind the idea that this is something that is good to have in cash. It is as if I went to the bank with my own check and cashed it for \$8,000, which would have aroused no problem, and I put it in the safe.

Senator MUNDT. In spite of all these fine lawyers in the city of New York, you do have some crime up there. It seems to me \$8,000 is quite a chunk of money to keep in an office safe.

Mr. COOPER. It may appear that way to you, Senator, but let me assure you that as far as my conduct is concerned, I have no apologies to offer for my conduct. It may appear that having \$8,000 in a lawyer's safe may suggest an irregularity. I assure you none was committed. That is as far as I can go with respect to that.

Senator MUNDT. I am not suggesting anything, Mr. Cooper. I am just searching your mind, trying to find out why you kept the \$8,000 in cash. You said you would still have it there in cash had it not been for this investigation. It does seem to me to be an unusually large amount of folding money to keep in your safe, unless you have skepticism in bankers. If you do not have, if you are not suspicious of banks—even though you feel that lawyers have some higher degree of responsibility than the rest of we citizens, I know something about banking. I feel bankers are just as good as lawyers. I wonder why you have hesitancy to put your money in the bank.

Mr. COOPER. I have no hesitancy. Mr. Kennedy has my records. He knows we have substantial deposits that we make regularly on our

account, that this \$8,000 must be weighed against our total office operations, that this is not a major source of income to us, nor does it represent a major portion.

Consequently, I did not attach to it the importance that might be inferred at this point. I really did not give it that degree of weight. I had the currency. It was there. I assumed that someday there might be an emergency and I might use it. It is largely a matter of it being funds which I was accountable for. I would have acted no differently had I taken an ordinary check, cashed it at one of the banks, and put the proceeds in my safe.

Senator MUNDT. You received the currency, you say, in San Francisco?

Mr. COOPER. Yes.

Senator MUNDT. You cashed the \$8,000 check at a hotel?

Mr. COOPER. I didn't cash it. Mr. Sims cashed it.

Senator MUNDT. And he gave you the currency?

Mr. COOPER. In an envelope, yes.

Senator MUNDT. And you brought that back in currency and put it in the safe?

Mr. COOPER. I brought it back to New York, and was accountable for it as personal drawing.

Senator MUNDT. It may not have been unusual. Is it the usual practice of you to keep a floating account with about that amount of currency in the office safe?

Mr. COOPER. I have never been in a similar circumstance before.

Senator MUNDT. Then let us try to explore what did motivate you to treat this \$8,000 differently than the way throughout a lifetime of practice in New York you treated other fees.

Mr. COOPER. I say I have never before been in such a circumstance.

Senator MUNDT. I am trying to find out why you deviated in this particular case.

Mr. COOPER. As I say, this is all trying to recapture my recollection or motives at the time.

At the time, I did not consider that there would be any apparent or real irregularities in keeping this currency, particularly in view of the fact that it was a known transaction.

Sims had given me the money. The union knew I had \$24,000. I had reported it so that it would appear on my books, that I would be charged with it as a personal drawing, and that I would be accountable, taxwise, for those funds.

Senator MUNDT. I was not quite clear from your earlier testimony, Mr. Cooper, as to the precise reason why you asked Mr. Sims to give you the \$8,000, vis-a-vis the \$16,000. You said there was antagonism to you, but I cannot see what the reason was, because you had to report it all to your firm, and treat it in your bookkeeping the same as though it were two checks, with the exception that you had done what was tantamount to withdrawing \$8,000 from your drawing account and putting it in the safe.

Mr. COOPER. Mr. Senator, it is very comfortable in these surroundings to view the circumstances on that occasion as detached. But I would like you to consider that in the climate in which we were all engaged after a most trying and difficult 3 weeks, that my state of mind with respect to Sims was one of total and complete suspicion.

Senator MUNDT. That I can understand. But I cannot understand how getting the \$8,000 in cash would give your mind any more relief than if you got an \$8,000 check.

Mr. COOPER. It relieved me to this degree, that I had drawn previously these 4 checks, amounting to about \$8,000, yes; and I wanted to at least know that those checks which I had drawn would be covered by the cash which I received then. Otherwise——

Senator MUNDT. Wait a minute. Money in an office safe will not cover a check.

Mr. COOPER. I didn't need it to cover at the bank. I needed it to reassure myself that if I never got the \$16,000 I would at least have the \$8,000 in currency to cover checks which I had drawn.

Senator MUNDT. I understand that. But I cannot understand why you feel any more comfortable in your mind because you have the \$8,000 in cash than you would if they had given you the union's check for \$8,000. The union's check was certainly good.

Mr. COOPER. By the same token, had I received the check, I was concerned that had they got back to Washington, there might be an injunction, a lawsuit, some proceeding that might stop payment on the check and put me in the difficult position of having to go after them in order to meet the obligation which I had assumed.

Senator MUNDT. If that were your only reason, you might have gone down to an apothecary shop and buy a whole handful of tranquilizer pills when you started to worry about the \$8,000 check.

Mr. COOPER. Senator, it is one thing to worry about getting paid as income for services rendered; it is another thing to be concerned about checks which you have drawn on behalf of the union for which you might not receive reimbursement. Otherwise, I might have asked for the whole \$24,000 in cash. I could have done that just as easily.

Senator MUNDT. I can understand why you might want to break it up in two payments, but you have not quite cleared up in my mind why you wanted \$8,000 of it in cash, and you are willing to take the union check for twice as much, \$16,000, and not worry about that, not worry about litigation, lawsuit, or any cancellation of payments or anything. But you were worrying about the \$8,000. Both were signed by the same Mr. Sims, both on the same bank account, I presume, of the same union.

Mr. COOPER. I was worried about the eight because that represented, factually, checks which I had already drawn, for which I was accountable, which, if I never received it from the union, would represent out-of-pocket loss to me, as distinguished from the whole \$16,000 plus the two which represented the hotel checks, which represented fees.

I am prepared to lose fees. I am not prepared, if I can avoid it, to lose the repayment for expenses or moneys which I had advanced on behalf of the union.

Mr. KENNEDY. Did you cause to draw or did you draw up the resolution against Mr. Sims?

Mr. COOPER. If I may respectfully discuss the——

Mr. KENNEDY. If it is going to be a long answer, we will resume it tomorrow.

Mr. COOPER. Whatever you prefer to do. I think it is an answer which goes to my relationship with a client. I am prepared to testify what I do with fees and how I receive them, but I am a little reluctant

to go into what I have done in terms of my relationship with a client, whether I drew a resolution or did not.

Mr. KENNEDY. This resolution is of some interest to us since it was drawn 2 days before Sims' charges were heard before the board. If you were a part of that, then it gets to be a question of whether you were representing the union or representing Mr. Cross and being paid by the union. I think it gets into your integrity, and I think you would want to answer it.

Mr. COOPER. I am prepared to match my integrity to anyone.

Mr. KENNEDY. Why not answer the question?

Mr. COOPER. That may not be the only way to match integrity, Mr. Kennedy. There are other ways.

The CHAIRMAN. Tomorrow morning, you be prepared to come back, and we will interrogate you on that point. Until that time, you are excused, but you will return in the morning.

Call your next witness.

Mr. KENNEDY. Peter Carbonara.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. CARBONARA. I do.

TESTIMONY OF PETER CARBONARA, ACCOMPANIED BY COUNSEL, SHERMAN CARMELL

The CHAIRMAN. State your name, your place of residence, and business or occupation.

Mr. CARBONARA. My name is Peter Carbonara. I live at 95 North Crawford Avenue, Skokie, Ill. Presently I am secretary-treasurer of local No. 1.

The CHAIRMAN. Do you have your counsel present?

Mr. CARBONARA. Yes, sir.

The CHAIRMAN. Counsel, identify yourself.

Mr. CARMELL. Sherman Carmell, 138 West Randolph Street, Chicago.

The CHAIRMAN. You have discussed the testimony or information that you have with members of the staff, have you?

Mr. CARBONARA. Yes, sir.

Mr. KENNEDY. You have been with the union how long?

Mr. CARBONARA. I joined the union in November 1937.

Mr. KENNEDY. And when did you become an officer in the union?

Mr. CARBONARA. In November 1945.

Mr. KENNEDY. November of 1945?

Mr. CARBONARA. Yes.

Mr. KENNEDY. Within your jurisdiction, is there contained the Zion Industries?

Mr. CARBONARA. Well, I could say that, in April 1956, Zion Industries was a local independent, an independent local, No. 150. In April 1956, by resolution, it became a part of local No. 1.

Mr. KENNEDY. So in April 1956, it came within your jurisdiction?

Mr. CARBONARA. That is right.

Mr. KENNEDY. Zion Industries has a bakery, does it not?

Mr. CARBONARA. They have a bakery, and also a candy plant.

Mr. KENNEDY. And a candy plant?

Mr. CARBONARA. Yes, sir.

Mr. KENNEDY. And is that bakery and candy plant run by Martin Philipsborn, Jr.?

Mr. CARBONARA. Yes.

Mr. KENNEDY. Did Martin Philipsborn, Sr., used to connected with it?

Mr. CARBONARA. I don't know, sir, because, prior to April 1956, the local was independent. As a matter of fact, up to that date it was under the supervision of the international.

Mr. KENNEDY. So you do not know about Martin Philipsborn, Sr.?

Mr. CARBONARA. No. I never met the gentleman.

(At this point, Senator Mundt withdrew from the hearing room.)

Mr. KENNEDY. In September and October of 1956, you were carrying on negotiations with Martin Philipsborn, Jr., regarding the contract with the bakery?

Mr. CARBONARA. Yes, sir. That was the first time I met Philipsborn, although the local was under our jurisdiction for 5 or 6 months prior to that. We had a business representative that used to go and take care of the business of the local union. As a matter of fact, in August 1956, or July 1956, 60 days prior to the date of the expiration of the contract, we served notice to Colonel Philipsborn, Jr., that the contract was expiring on September 3, 1956, and we were ready to negotiate a new contract.

Mr. KENNEDY. So you carried on negotiations then, did you?

Mr. CARBONARA. That is correct. First we got a committee of the shop organization—

(The witness conferred with his counsel.)

Mr. KENNEDY. You carried on negotiations?

Mr. CARBONARA. That is right.

Mr. KENNEDY. And, during this period of time, did you find that the negotiations were not successful that you had with Colonel Philipsborn?

Mr. CARBONARA. Yes, sir.

Mr. KENNEDY. So, during the early part of October of 1956 did you request strike permission from the international union?

Mr. CARBONARA. That is right. It was a request to James Cross. All our correspondence goes to James Cross. We requested strike permission.

Mr. KENNEDY. Have you the date of that telegram?

Mr. CARBONARA. October 1, 1956.

The CHAIRMAN. Is that a copy of it?

Mr. CARBONARA. Yes, sir; it is a copy.

The CHAIRMAN. Do you have an extra copy?

Mr. CARBONARA. I don't know if I do have an extra copy. I think the committee has a photostat copy.

The CHAIRMAN. The photostat copy of it may be made exhibit No. 47.

Mr. CARMELL. This copy we have, Senator, is a confirmation copy of a wire.

The CHAIRMAN. Well, he testifies that he sent the wire?

Mr. CARMELL. Yes.

The CHAIRMAN. The copy we have of it may be made exhibit No. 47.

(The document referred to was marked "Exhibit No. 47" for reference and will be found in the appendix on p. 3185.)

Mr. KENNEDY. Could you read the telegram into the record, please?

Mr. CARBONARA (reading):

To JAMES CROSS, 1145 15th Street NW., Washington:

Strike permission requested for Zion Industries, Zion, Ill. One hundred twenty members involved in the strike vote taken Saturday, September 29. One hundred and ten voted in favor and eight against.

Mr. KENNEDY. So, you notified President Cross that you had taken a vote of the union, and that the union had voted overwhelmingly to strike, and that you requested strike permission from the international?

Mr. CARBONARA. Yes, sir.

Mr. KENNEDY. That is the usual procedure, is it not, to request strike permission from the international?

Mr. CARBONARA. That is customary.

Mr. KENNEDY. Otherwise, you do not receive strike benefits, is that right, which would be hard and difficult on the members?

Mr. CARBONARA. That is correct.

Mr. KENNEDY. Then, did you receive a telegram back from President Cross?

Mr. CARBONARA. We have received a telegram back from President Cross that said to avoid any stoppage of work until we received confirmation of the strike permission.

Mr. KENNEDY. That is also the usual procedure; is it not?

Mr. CARBONARA. That is correct.

Mr. KENNEDY. The president then wires back and says wait until you hear when they have taken it up with the board?

Mr. CARBONARA. That is right.

Mr. KENNEDY. Shortly after you received that telegram, did you hear from President Cross again?

Mr. CARBONARA. I think it was around the middle part of October that Anthony Conforti, the president of the local union, got strike permission from the international.

Mr. KENNEDY. You received word from Mr. Conforti?

Mr. CARBONARA. Mr. Conforti was going to go to San Francisco, and I was going to carry on the negotiations with Zion. He gave me the strike permission.

The CHAIRMAN. Is he an international officer?

Mr. CARBONARA. Mr. Conforti is president of local No. 1.

The CHAIRMAN. Did he get authority from the international?

Mr. CARBONARA. Well, the authority, Senator, is given to the vice president of the international, and, in turn, the vice president of the international gives authority to the president of the local.

The CHAIRMAN. And he was president of the local?

Mr. CARBONARA. Anthony J. Conforti was president of the local.

The CHAIRMAN. Do you know that he got strike permission from the vice president of the international?

Mr. CARBONARA. He gave it to me.

Mr. KENNEDY. Let me ask you this:

Is this the copy of the strike permission?

The CHAIRMAN. I have here before me a carbon copy of a letter purporting to be from James Cross to Anthony Conforti, president, 719

North Wilkin Avenue, Chicago 14, Ill., dated October 5, 1956. It reads as follows:

DEAR SIR AND BROTHER: The general executive board has acted on your request for strike permission for local union 1, Chicago, Ill., against Zion Industries, Inc. This matter has been referred to Vice President Stuart. Be guided by his advice and direction.

Fraternally yours,

Copy to Vice President Stuart.

It is signed by James G. Cross, president.

Then there is a notation on the bottom:

You are hereby clothed with strike permission for local 1 against the above-named, to be released by you if final adjustment efforts fail and you have determined that the local union is in full compliance with all Federal and State regulations.

with material to research department.

Do you know anything about these copies of letters?

MR. CARBONARA. I don't think I have seen those, Senator.

THE CHAIRMAN. May I ask the staff where we procured these?

MR. KENNEDY. These are letters from the international.

THE CHAIRMAN. From the files of the international?

MR. KENNEDY. Yes.

THE CHAIRMAN. I will read you now what purports to be strike permission.

MR. KENNEDY. That is the letter you just read in.

THE CHAIRMAN. Attached to a copy of a letter signed by James G. Cross, which I have just read, is a letter dated October 5, 1956, George Stuart to Anthony Conforti, Zion Industries, Inc., strike permission.

Attached is the strike permission form for local 1 against Zion Industries, Inc. You are hereby clothed with strike permission for local 1 against the above-named to be released by you if final adjustment efforts fail and you have determined that the local union is in full compliance with all Federal and/or State regulations.

Then it states further:

When settled, please fill out section 2 and return the form to me.

Did you see that?

MR. CARBONARA. I would like to take a look at it, Senator.

THE CHAIRMAN. Sir?

MR. CARBONARA. I would like to take a look at that.

THE CHAIRMAN. You may take a look at both of them, or all three of them, and see if you identify them.

(Documents handed witness.)

THE CHAIRMAN. I will ask you if you are familiar with Mr. James G. Cross' signature?

MR. CARBONARA. Yes; I am familiar with Mr. James G. Cross' signature. We get a lot of documents at the union. But I never seen this document before.

THE CHAIRMAN. You never saw the document before?

Look at the one signed J. G. Cross, and see if you ever saw it before, or if you can identify his signature.

MR. CARBONARA. I know the signature.

THE CHAIRMAN. Sir?

MR. CARBONARA. I know the signature.

THE CHAIRMAN. Is that Mr. Cross' signature on the white document, the letter?

Mr. CARBONARA. Yes, sir.

The CHAIRMAN. What stationery is that letter on?

Mr. CARBONARA. Bakers and Confectionery Workers International Union of America.

The CHAIRMAN. That letter may be made exhibit 48, the one identified as bearing Mr. Cross' signature.

The other documents may be withheld for the present. We may have to introduce one of our staff members to identify those.

(The document referred to was marked "Exhibit No. 48" for reference and will be found in the appendix on p. 3186.)

Mr. KENNEDY. Mr. Carbonara, you understood from Mr. Conforti that the strike permission had been granted, is that right?

Mr. CARBONARA. Precisely.

Mr. KENNEDY. That was in early October of 1956?

Mr. CARBONARA. That is right.

Mr. KENNEDY. What was the next thing that you heard?

Mr. CARBONARA. Well, all the officers, most of the officers of the union went to the convention that was going to take place in San Francisco.

Mr. KENNEDY. Specifically, did you receive a telephone call from Mr. Stuart?

Mr. CARBONARA. That was after all the delegates were in San Francisco.

Mr. KENNEDY. While all the delegates were in San Francisco, did you receive a telephone call from Mr. Stuart in San Francisco?

Mr. CARBONARA. Yes, sir.

Mr. KENNEDY. He called you from San Francisco?

Mr. CARBONARA. Yes, sir.

Mr. KENNEDY. What did he say to you in that telephone call?

Mr. CARBONARA. He said to me he wanted to retract the strike permission and to mail it to him at the hotel where he was staying in San Francisco. I can't recall the name now.

The CHAIRMAN. He wanted to retract the strike permission?

Mr. CARBONARA. No; he said, "Mail me the strike permission back to San Francisco." That is what he said over the telephone.

Mr. KENNEDY. Has that ever happened before?

Mr. CARBONARA. No, sir.

Mr. KENNEDY. Were you surprised that he should ask you to mail the strike permission back?

Mr. CARBONARA. Indeed I was surprised.

Mr. KENNEDY. You what?

Mr. CARBONARA. Indeed I was surprised.

Mr. KENNEDY. Did you do that? Did you mail the strike permission back to him?

Mr. CARBONARA. Yes, sir; I did.

Mr. KENNEDY. Did he say he would send you a new strike permission?

Mr. CARBONARA. He said he would get together the general executive board in San Francisco and mail me a new strike permission. I never seen it.

Mr. CARBONARA. I never seen it.

Mr. KENNEDY. Did you meet Mr. Stuart after that?

Mr. CARBONARA. I don't know whether I met him after the convention in November or December. I can't recall. He was sometimes in

and out of our office. But I know that he was back to our office after the holidays, which would have been the first part of January.

(The witness conferred with his counsel.)

Mr. CARBONARA. I think when he was in in January, he must have met with Colonel Philipsborn, Jr., and Anthony Conforti. Then he came to the office and instructed me to mail some union applications to Colonel Philipsborn and some authorization for checkoff, because he said that the candy plant would be organized.

Mr. KENNEDY. He wanted some applications. This is George Stuart telling you this in early January, "Send me some applications because Colonel Philipsborn has agreed to organize the candy plant"?

Mr. CARBONARA. To put the candy plant in the union, in local No. 1.

Mr. KENNEDY. What occurred after that? Did you mail him those?

Mr. CARBONARA. Yes, I did. I made about 3 or 4 books of applications, and I mailed about 150 or a couple hundred authorization cards for checkoffs, and after that I started receiving the applications signed from the members.

Mr. KENNEDY. What was that again?

Mr. CARBONARA. After that I started receiving to the office applications signed, from the people in the candy plants.

Mr. KENNEDY. During this period of time of November and December, did any of your members speak to you about the fact that they were not going out on strike as they had agreed to?

Mr. CARBONARA. Yes. We tried to hold them down in the best of our abilities, because, due to the fact that there were holidays, it would have been a bad time to go on strike anyhow.

Mr. KENNEDY. Is that what you told them?

Mr. CARBONARA. That is what we advised them.

Mr. KENNEDY. Were they concerned with the fact that they were not going out on strike?

Mr. CARBONARA. Yes; they were very much disturbed about the way the things were proceeding.

Mr. KENNEDY. Were you disturbed yourself?

Mr. CARBONARA. I was disturbed myself, sure, because I felt closely responsible for the negotiations.

Mr. KENNEDY. Were you aware at this time that there was any financial arrangement between either Mr. Cross, the president of the union, or Mr. George Stuart?

Mr. CARBONARA. No, sir.

Mr. KENNEDY. And with Mr. Philipsborn?

Mr. CARBONARA. No, sir.

Mr. KENNEDY. You knew nothing of that?

Mr. CARBONARA. I had no knowledge of it.

Mr. KENNEDY. Then you are taking it up to January. Mr. Stuart spoke to you about getting the candy workers organized as well. What occurred after that?

Mr. CARBONARA. Well, after that, sir, the people in the bakery, they were perturbed about it, and there were several calls made to the office of the union that they wanted to see this thing brought to a climax one way or another, whether they were going to go on strike or whether they were going to have any benefit by it.

So I sent a telegram to James Cross, making him familiar with the situation in Zion, and to send some international representative to take care of the situation.

Mr. KENNEDY. So what occurred?

Mr. CARBONARA. On February 11, he sent George Stuart. He was sent by—I don't know who sent him, but that was the consequence of the telegram that I sent to James Cross. He came and he was present at the meeting, and he told the people that the contract that expired on September 30, 1956, plus the changes that we had agreed with Colonel Philipsborn during the negotiation—

Mr. KENNEDY. Just to explain that, the contract had expired on September 30, but in your negotiations there were certain parts of the contract that you and Colonel Philipsborn could agree to?

Mr. CARBONARA. We had agreed; yes.

Mr. KENNEDY. And there were certain other parts that you could not agree to, is that right?

Mr. CARBONARA. That is right.

Mr. KENNEDY. So when he talked to you, when he came out in February—

Mr. CARBONARA. When he came out in February, George Stuart told the people in the meeting that the contract will be in force until May 31, 1957, the old contract, plus the minor changes that we had agreed to with Colonel Philipsborn, and plus the organization of the candy plant. The contract was going to be for the bakery and the candy plant.

Mr. KENNEDY. And that would not be up until the end of May?

Mr. CARBONARA. May 31, 1957.

Mr. KENNEDY. What did the membership think of that?

Mr. CARBONARA. Well, they didn't feel so good about it, but they thought that we would get along with it until May 31, and they approved of the suggestion of Mr. Stuart.

Mr. KENNEDY. During this whole period of time, now, the membership was still disturbed as to what had happened?

Mr. CARBONARA. Yes. There was some disturbance reported sometimes from the business agent that would take care of that plant.

Mr. KENNEDY. Were you disturbed yourself at the way it was being handled?

Mr. CARBONARA. Yes, sir.

Mr. KENNEDY. After this meeting, did you go back to the office with Mr. Stuart?

Mr. CARBONARA. Yes, we did come back to the office with Mr. Stuart. Mr. Stuart suggested, or told us, that the contract was going to be up to and including December 31, 1957.

Mr. KENNEDY. He had just told the membership that it would be extended to May 31, and the membership even at that was disturbed, and then he came back to the office and told you this?

Mr. CARBONARA. To write up a contract with all those provisions agreed up to December 31, 1957.

Mr. KENNEDY. What did you say to that?

Mr. CARBONARA. Well, I couldn't say much, only that we tried to write the contract, but we were reluctant, as far as myself was concerned, and Conforti was concerned, we were reluctant to sign that contract.

Mr. KENNEDY. Did you say anything about what the membership would think?

Mr. CARBONARA. Sure. He knew it.

Mr. KENNEDY. What did you say?

Mr. CARBONARA. To Mr. Stuart, do you mean?

Mr. KENNEDY. Yes.

Mr. CARBONARA. I told him that the members don't like that. But he said just "Let's handle it this way. When June 1 comes around, I will talk to the people again."

Mr. KENNEDY. So was a contract drawn up then?

Mr. CARBONARA. Yes, a contract was drawn up, but it was never signed.

The CHAIRMAN. Do you recognize this document as a photostatic copy of that contract?

(Document handed witness.)

Mr. CARBONARA. Yes, sir.

The CHAIRMAN. That may be made exhibit 49, for reference only.

(The document referred to was marked "Exhibit No. 49" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. The date of that contract was from January 1 to December 21; is that right?

Mr. CARBONARA. Right.

Mr. KENNEDY. So even though the membership was promised it would only be extended to May 31, the contract was drawn to December 31?

Mr. CARBONARA. Yes.

Mr. KENNEDY. In your experience in the labor-union movement have you ever experienced anything like this before?

Mr. CARBONARA. No, sir.

Mr. KENNEDY. Did you feel that you were being betrayed by the higher officials of the bakers' union?

Mr. CARBONARA. By George Stuart, I would say, mostly in this contractual relation. In our district we dealt with Mr. Stuart, although our correspondence was always directed to Mr. Cross.

The CHAIRMAN. How did you feel you were being betrayed?

Mr. CARBONARA. Well, I don't think that was the right deal for the workers over there, especially in the area where we are situated.

Other people working in the similar industry, they were getting more benefits than the Zion industry.

The CHAIRMAN. In other words, you felt that something had gone wrong with this contract. There was something peculiar about it because you could not get in negotiations with this company comparable benefits, wages, and so forth, that you had gotten from others in the same area.

Mr. CARBONARA. That is about the size of it, Senator.

The CHAIRMAN. Is there any difference in the size of it? If so, state what it is.

Mr. CARBONARA. That is.

The CHAIRMAN. That was it?

Mr. CARBONARA. Yes.

The CHAIRMAN. Did you get any explanation as to why you should not go on and strike if they wanted to strike in order to get the comparable benefits to others?

Mr. CARBONARA. No explanation whatsoever, except that it was pointed out by the company on several occasions that the company could not afford to pay any benefit above the contract they had up to September 1956.

The CHAIRMAN. That was an argument on the part of management?

Mr. CARBONARA. That is right.

The CHAIRMAN. I still do not quite understand this peculiar situation. You are told to strike and then you had the strike permit withdrawn. Then, they come down and negotiate something said to be until May 31, I believe, and then they direct you to draw up a contract making it December 31, and you draw that up.

Was any contract ever signed at all?

Mr. CARBONARA. No, sir.

The CHAIRMAN. None has been signed yet?

Mr. CARBONARA. No, sir.

(The witness conferred with his counsel.)

Mr. CARBONARA. There is one signed now, Senator. I did not sign it. I don't know who signed it. Some representative of the union did sign. It was an agreement made after this investigation was on.

The CHAIRMAN. After the investigation got on, you got some kind of a contract?

Mr. CARBONARA. Yes. Another contract has been written a 3-year contract, with 8 cents for the first year and 5 cents for the second year and 5 cents for the third year. That has been accepted by the people.

The CHAIRMAN. That has been accepted by the people?

Mr. CARBONARA. Yes.

Mr. KENNEDY. You said you felt you were betrayed by Stuart. Do you know whehter Mr. Cross played any part in this?

Mr. CARBONARA. I wouldn't know, sir.

Mr. KENNEDY. Do you know whether Mr. Cross met with Mr. Philipsborn, Sr., regarding this contract?

Mr. CARBONARA. I would not know.

Mr. KENNEDY. All the negotiations you had were with Mr. Stuart?

Mr. CARBONARA. Mr. Stuart.

Mr. KENNEDY. Mr. Stuart takes his instructions from Mr. Cross, does he not?

Mr. CARBONARA. I assume he does.

Mr. KENNEDY. Did you know whether Mr. Stuart was keeping Mr. Cross advised during this period of time?

Mr. CARBONARA. He should have been.

Mr. KENNEDY. Did you know that Mr. Philipsborn had made 2 loans of over \$100,000 to Mr. Cross during the period of the last 2 years?

Mr. CARBONARA. No.

Mr. KENNEDY. That at one time he loaned \$56,000, Mr. Philipsborn, Sr., loaned \$56,000 to Mr. Cross to purchase a home here in Washington?

Mr. CARBONARA. No, sir; I did not.

Mr. KENNEDY. And that in 1956 Mr. Philipsborn, Sr., loaned \$40,000 to Mr. Cross to purchase a home in Palm Beach, Fla.?

Mr. CARBONARA. No, sir; I did not know that.

Mr. KENNEDY. You were not aware of that? You do not know that Mr. Cross himself has met personally with Mr. Philipsborn on this matter?

Mr. CARBONARA. No, sir.

Mr. KENNEDY. Do you know if Mr. Philipsborn, Jr., talked to Mr. Cross regarding this matter?

Mr. CARBONARA. I would not know. I know once, when we were just about at the brink of a strike, he asked me for a couple of days of recession, so that he could get in touch with his father.

Mr. KENNEDY. So that he could get in touch with his father?

Mr. CARBONARA. In Washington. What transpired in Washington, I would not know.

Mr. KENNEDY. Do you know if Mr. Philipsborn, Sr., got in touch with Mr. James Cross?

Mr. CARBONARA. That I would not know, sir.

Mr. KENNEDY. So the facts were that you received the strike permission, it was granted to you; it was withdrawn subsequently, over the protest of your members that that strike permission was never given back to you. Is that true?

Mr. CARBONARA. That is true.

Mr. KENNEDY. That you then had a meeting of your members and Mr. Stuart was sent out there after you wrote Mr. Cross and Stuart said that you should continue the old contract through May 31, 1956.

Mr. CARBONARA. That is correct.

Mr. KENNEDY. But when he came into your office he said, "I didn't mean that. We will continue to December 31, 1956."

Mr. CARBONARA. That is correct.

Mr. KENNEDY. And the whole contract during the entire period of time was below the level for the other bakers unions there in that area?

Mr. CARBONARA. That is correct.

Mr. KENNEDY. And the membership of your union had voted overwhelmingly to strike in this matter?

Mr. CARBONARA. That is correct.

The CHAIRMAN. Did any of your union members know, or did you know, that this company was making loans to Mr. Cross during the course of these negotiations?

Mr. CARBONARA. Senator, I might say there were rumors about, but I never heard facts.

The CHAIRMAN. You heard a little rumor along about that time, is that it?

Mr. CARBONARA. That is it, yes.

The CHAIRMAN. Do you know now whether or not that rumor turned out to be true?

Mr. CARBONARA. I don't know.

The CHAIRMAN. You do not know of your own knowledge?

Mr. CARBONARA. No, sir.

The CHAIRMAN. Would you be surprised to find out it is true?

Mr. CARBONARA. I would be surprised.

The CHAIRMAN. You would?

Mr. CARBONARA. Yes, sir.

The CHAIRMAN. Let me ask you something else. As a unionman, and knowing the rank and file members of your union, and taking

into account what you believe to be the responsibility of your national officers, do you think it would be proper for your international president to be borrowing money from some business enterprise that you are negotiating a labor contract with, borrowing money for his own personal use, without advising and informing the membership of that union that he is so involved with management, under those circumstances? Do you think that is a proper way to treat the union members?

Mr. CARBONARA. No, sir.

The CHAIRMAN. I have some doubts about it myself.

Senator CURTIS. When did you hear these rumors that there might have been some loans made?

Mr. CARBONARA. I think it was during the investigation.

Senator CURTIS. During what investigation?

Mr. CARBONARA. The Senate investigation.

Senator CURTIS. But at the time the events were taking place, you did not hear rumors?

Mr. CARBONARA. No, sir.

Senator CURTIS. Suppose you had not only heard the rumors, but that you had had evidence that these loans had been made. What could you have done about it?

Mr. CARBONARA. I don't think I could have done too much about it, but thinking that they were unethical.

Senator CURTIS. What could the members of the local union collectively have done about it?

Mr. CARBONARA. I don't know what they would have done.

Senator CURTIS. What could they have done?

(The witness conferred with his counsel.)

Mr. CARBONARA. You see, the point is, Senator, that I don't think they could have done much about it, because in a situation of contractual negotiations, the membership have to have the strike permission from the international in order to go on strike, in order to accomplish what their aim is. If they don't get the strike permission from the international, they would be deprived of the benefit of \$20 a week that they would get from the international.

That is pretty hard to put people on strike, or on a wildcat strike.

Senator CURTIS. The question I am raising is this: When union members receive reliable information of misconduct of their top officers in their union, what rights do they have to take any action that might correct it? I think that is a question that the Congress ought to look into.

Mr. CARBONARA. They don't have any rights at the moment. They might take action when election would come around.

Senator CURTIS. What kind of a contract do you have with the Zion Industries, with reference to union members? Is it a union shop contract?

Mr. CARBONARA. It is a union shop; yes.

Senator CURTIS. Suppose an individual worker decides that he is not going to pay dues to a union that was headed by individuals who were accepting loans and favors from management. What would happen if he elected not to pay his dues?

Mr. CARBONARA. We never had any case like that before.

Senator CURTIS. I know, but what would happen?

Mr. CARBONARA. I don't know what would happen.

Senator CURTIS. Would he continue in his job?

Mr. CARBONARA. The action of the union would depend on what the people would decide to do. But we never had occasion.

Senator CURTIS. What does your contract say would happen?

Mr. CARBONARA. The contract says that they are paying the dues and they are on a checkoff system.

Senator CURTIS. And if they fail to pay their dues?

Mr. CARBONARA. I would not know, Senator, what would be the reaction. We would certainly try to keep them in the union.

Senator CURTIS. But they would lose their job, would they not?

Mr. CARBONARA. Yes, sure they would.

Senator CURTIS. That is what I want to know.

The CHAIRMAN. Are there any other questions?

The committee will stand in recess until 10 o'clock in the morning.

(Whereupon, at 5 p. m., the committee recessed, to reconvene at 10 a. m., Wednesday, June 19, 1957.)

(Members present at the taking of the recess: Senators McClellan and Curtis.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

WEDNESDAY, JUNE 19, 1957

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee met at 10 a. m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the Caucus Room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator John F. Kennedy, Democrat, Massachusetts; Senator Sam J. Ervin, Jr., Democrat, North Carolina; Senator Pat McNamara, Democrat, Michigan; Senator Barry Goldwater, Republican, Arizona; Senator Karl E. Mundt, Republican, South Dakota; Senator Carl T. Curtis, Republican, Nebraska.

Also present: Robert F. Kennedy, chief counsel to the select committee; George Kopecky, assistant counsel; James F. Mundie, investigator; Ruth Young Watt, chief clerk.

(Members present at the convening of the session: Senators McClellan and Goldwater.)

The CHAIRMAN. The committee will come to order.

Mr. Herman Cooper, will you come around, please.

TESTIMONY OF HERMAN COOPER—Resumed

Mr. KENNEDY. Mr. Cooper, you were the hearing officer or you had some official capacity?

Mr. COOPER. I was not the hearing officer.

Mr. KENNEDY. You did not wait until you heard my question.

Mr. COOPER. I am sorry.

Mr. KENNEDY. You had some official capacity in the hearing that was held at the special session of the general executive board?

Mr. COOPER. As general counsel to the union, and at the instance of the hearing board, I acted as legal adviser to the hearing board.

Mr. KENNEDY. Now, that was in accordance with the rules and procedures that were agreed to by the board?

Mr. COOPER. That was in accordance with the code of procedure which the general executive board adopted.

Mr. KENNEDY. Who drew up the code of procedure?

Mr. COOPER. It was drawn up by a number of people including myself, my assistant, John Long, and with the effort and cooperation of Vice President Daniel Conway.

Mr. KENNEDY. It was drawn up with your law firm, was it not?

Mr. COOPER. In part.

Mr. KENNEDY. In the general rules of procedure it was stipulated that the general counsel of the international union or his designee shall serve as legal adviser to the hearing officer.

Mr. COOPER. This was changed by action of the general executive board to the word "may."

Mr. KENNEDY. To "may," and you served in that position did you?

Mr. COOPER. Yes, I did.

Mr. KENNEDY. I was asking you, and this record shows that on the day that the board voted that Mr. Stuart and Mr. Cross were not guilty of the charges against them, there was another resolution offered of charges against Mr. Sims. There was also a resolution or a group of charges drawn up by Mr. Cross against Mr. Sims, which was made up prior to the time that the board had finished their deliberations. I asked you yesterday at the end of the session whether you had anything to do with drawing up these charges against Sims.

Mr. COOPER. Yes; I did.

Mr. KENNEDY. You drew them up?

Mr. COOPER. I, at the request of President Cross, and after consultation with him, and as law officer for the international union, drew those charges.

Mr. KENNEDY. And at the same time during this period you drew these charges up even prior to the time that the council or the executive board reached their decision?

Mr. COOPER. Yes; I did.

Mr. KENNEDY. You were acting in what position?

Mr. COOPER. I was acting as general counsel to the international union.

Mr. KENNEDY. There was another group of charges drawn up against Mr. Sims which was offered on the same day that the board cleared Mr. Stuart and Mr. Cross. Did you have anything to do with those charges?

Mr. COOPER. I don't know which other charges you are referring to.

Mr. KENNEDY. Did you draw up any other charges?

Mr. COOPER. I assisted in drawing only one set of charges against Secretary-Treasurer Sims.

Mr. KENNEDY. What about Vice President Gamble, did you have anything to do with his charges against Sims?

Mr. COOPER. I had nothing to do with any charges drawn by Vice President Gamble. To assist you, I am certain that you are referring to a resolution.

Mr. KENNEDY. Four resolutions?

Mr. COOPER. Four resolutions calling for certain subsequent action which was to be considered and, if approved, to be taken by the general executive board.

Mr. KENNEDY. Now, did you have anything to do with drawing up those resolutions?

Mr. COOPER. Of course.

Mr. KENNEDY. Don't say "of course." I didn't know that until now.

Mr. COOPER. That is the answer, because I am the law officer for the union and they are not lawyers and it is my function as their

lawyer to transcribe into legal terms and legal forms the documents and actions which they contemplate and which they may ultimately, after due consideration, approve.

Mr. KENNEDY. So you drew up the charges or the resolutions of Mr. Cross against Mr. Sims, and you drew them up prior to the time that the executive board reached its decision, and you did the same thing for Vice President Gamble?

Mr. COOPER. And I would have done the same thing for Secretary-Treasurer Sims had he requested me. Having read the record, Mr. Kennedy, you must know that I stated this before the general executive board, and that I indicated to them that as a law officer for the international union I was available to all of the international officers for whatever legal efforts they required, with respect to the internal or external affairs of the international union.

Mr. KENNEDY. At the same session, where the board reached its decision that Mr. Cross and Mr. Stuart were not guilty of the charges against them, and this resolution was offered against Mr. Sims, a statement was made by you as to the press release that could be issued or a release to be sent to all of the bakers offices.

Mr. COOPER. Which date are you referring to, Mr. Kennedy?

Mr. KENNEDY. The last day of the hearing.

Mr. COOPER. Of which hearing? There were two of them.

Mr. KENNEDY. March 6, 7, and 8, and I presume it is the 8th.

Mr. COOPER. If you will refer to the page I will be glad to refresh my recollection.

Mr. KENNEDY. Page 253.

Mr. COOPER. And what did I say?

Mr. KENNEDY. This is a statement that you read, and which you stated that you had drawn up. This obviously had been drawn up prior to the time the board reached its decision.

Mr. COOPER. Precisely, exactly the same way that this committee and every organization functions.

Mr. KENNEDY. Just let me read the statement.

Mr. COOPER. Statements are prepared in advance of action and released if the action requires it.

Mr. KENNEDY (reading):

This letter is sent by the general executive board to clear up certain misinformation concerning an unfortunate conflict among the highest ranking officers of our international union. Charges of misconduct were first brought by International Secretary-Treasurer Curtis Sims against International President James G. Cross and Vice President George Stuart. These charges first appeared in the public press of March 4, 1957, before they were received by the accused officer, the general executive board, or the local unions.

President Cross promptly called a special meeting of the GEB in Washington to begin on March 6 and remain in continuous session through March 8. The first action was to adopt by a vote of 18 to 2 a code of hearing procedure under article 20 of the international constitution for cases before the GEB. President Cross and Vice President Stuart requested an immediate hearing on the charge against them, although entitled to 20 days' notice. Secretary-Treasurer Sims asked for a delay and the hearing was set for the next day at 2 p. m., when it began and continued for some 12 hours.

The GEB sat as a hearing board to consider the charges with Vice President Conway named as chairman and Vice President deConcini as secretary. A court stenographer was present to record a word-for-word account of the proceedings. Secretary-Treasurer Sims made eight charges, which have already been widely publicized. The GEB heard him present his case and heard President Cross and Vice President Stuart reply. The interested parties were then excused, and the GEB collaborated and weighed the evidence.

After hours of debate, the GEB by secret ballot overwhelmingly found President Cross and Vice President Stuart to be not guilty of any of the charges. President Cross has filed charges of misconduct against Secretary-Treasurer Sims, which will be heard by the GEB on March 27, 1957, at its regular semi-annual meeting.

The GEB wishes to reassure the general membership that no effort has been or will be spared to protect the good name of our international union.

Fraternally yours.

And it was to be signed.

Mr. COOPER. Now, most of that was prepared in anticipation of possible favorable action by the general executive board, while I was out of the room, and the board was in executive session.

Mr. KENNEDY. What do you mean, "favorable action"?

Mr. COOPER. In the sense that the action would uphold the international president and the vice president.

Mr. KENNEDY. That is favorable to you?

Mr. COOPER. That would be favorable in terms of the outcome, and the need for this statement.

Had the outcome been different, then necessarily the statement would have been to the contrary. By the same token, the vote and other items which appear at the conclusion of that statement were added after a disclosure by the general executive board sitting as a trial board of the outcome of that hearing, because we did not know until we came into the room at about 1:30 or 2 o'clock in the morning precisely what the general executive board had done by secret ballot.

Mr. KENNEDY. You say the rest of this was drawn up after the vote of the board?

Mr. COOPER. The additions were made toward the end, and it was all written out, when the general executive board, sitting as a trial board, through its chairman, Vice President Conway, announced the outcome of the hearing.

(At this point Senator Mundt entered the hearing room.)

Mr. KENNEDY. You recognize that you were working for the international union and not just for Mr. Cross?

Mr. COOPER. I was working for the international union, and by that token for the international officers, the general executive board, and, necessarily, through them, for the membership at large.

Mr. KENNEDY. You must have really rushed through that last bit of that statement, because there is only about 10 minutes here, between 2:07, when they took the vote, and 2:20, Conway took the chair again, or Cross took the chair. You really rushed that last two paragraphs in.

Mr. COOPER. I am not responsible for your characterization, Mr. Kennedy.

Mr. KENNEDY. It took you 13 minutes.

Mr. COOPER. There was a lapse of time, which may not be disclosed by the record.

Mr. KENNEDY. The lapse of time right here when these things took place.

Mr. COOPER. The only part that I wrote when we came back into the room, as I previously testified, had to do with the action of the general executive board, which would not take more than a minute or two to transcribe.

Mr. KENNEDY. Did you put it in your own writing?

Mr. COOPER. Yes; on a yellow legal cap.

Mr. KENNEDY. You worked very quickly.

Mr. COOPER. I would be happy to accept the compliment from you, sir, and that is my practice.

The CHAIRMAN. Let the Chair ask you a little question or two, please, sir. How long did the hearings before the executive board on the charges against Mr. Cross and Mr. Stuart continue?

Mr. COOPER. The hearings, as I recall them, sir, began at 2 o'clock, and they ran continuously, I think, with a possible break of an hour or an hour and a half, until 10:30 or 11. Then the general executive board, sitting as a trial body, went into executive session which meant that they excluded me, President Emeritus Winter, and the three interested parties from the room, from their deliberations. We were called back into the room at about 1:30 or 2 o'clock in the morning, as I now recall it, when the board had arrived in executive session by secret ballot at their determination.

The CHAIRMAN. Now, let us see if I am correct in this calculation. It went into session to begin the hearings at 2 o'clock in the afternoon?

Mr. COOPER. I believe that was the time, sir.

The CHAIRMAN. And it finally recessed the hearings to go into executive session for deliberations at 10 o'clock?

Mr. COOPER. That is my recollection.

The CHAIRMAN. And about an hour and a half was taken out for dinner that evening?

Mr. COOPER. Yes, sir.

The CHAIRMAN. So that would be six and a half hours applied to the hearing?

Mr. COOPER. That would appear to be accurate.

The CHAIRMAN. Did you have there before the board—you were present, I believe, all during the hearing?

Mr. COOPER. I was, except the executive session.

The CHAIRMAN. I mean you were present when all of the testimony was taken?

Mr. COOPER. Yes, sir.

The CHAIRMAN. Did you have there the same testimony, comparably the same testimony there presented against Mr. Cross and Mr. Stuart that has been presented to this committee?

Mr. COOPER. No, sir.

The CHAIRMAN. Did the board with your advice and counsel, representing, as you say, the union members as well as the officers and the union—did they make any effort to go out and get confirmation of these charges or to see whether confirmation of them could be had from other sources?

Mr. COOPER. In the first instance, Mr. Chairman, I was there in a most limited capacity, at the direction of the board.

The CHAIRMAN. I did not ask you that now. I asked you if the board did.

Mr. COOPER. The board was sitting as a trial body and not as a prosecuting body. The function of the person bringing the charges was to demonstrate to the satisfaction of a majority of the board, as in any court, or before any jury, that the evidence supported the charges as he made them. I think if a fair and objective appraisal is made of the record of that hearing as against the record of the

testimony before this committee, the disparities, and the confusion, and the failure to support the charges might be much more evident than it is here.

The CHAIRMAN. Mr. Cooper, now you, being an attorney, know what I am trying to determine was whether there was any genuine effort made to find out whether these charges were true or not.

Mr. COOPER. I would judge that an effort was made at the hearing.

The CHAIRMAN. In that limited time, but was any investigation made? You regarded these charges as serious charges?

Mr. COOPER. They were certainly serious.

The CHAIRMAN. They were serious?

Mr. COOPER. Yes, sir.

The CHAIRMAN. Now, the board, having a responsibility certainly to the union to determine whether these charges were true or not—

Mr. COOPER. If you are asking my opinion, sir, which I assume is the nature of your question—

The CHAIRMAN. You do not wait until I finish, do you?

Mr. COOPER. I am sorry, sir.

The CHAIRMAN. The board having a responsibility to the union and to the members to determine truthfulness of these charges, do you not think should have used some diligence in going out and trying to find whether the charges made were true or not? Or did you think that the responsibility was limited to just sitting there and hearing the two disputing parties, and then trying to settle it that way?

Mr. COOPER. In the nature of these hearings, and in the general practice which prevails in the labor movement and in other fraternal associations of the same kind, the burden rests upon a person or an officer bringing charges to substantiate those charges at the hearing before the body which is called upon to pass them. This board did not sit in any capacity except as a hearing board. They did not sit as an investigatory body, and there was no request made by Mr. Sims in advance of the hearing that this board investigate the charges.

He brought the charges, and he was chargeable, therefore, with responsibility for establishing the truth of those charges. If he had in advance of bringing those charges asked for an inquiry, asked the general executive board to look into the charges, then you might have had a responsibility imposed on the board, which in my judgment did not carry once he did bring the charges.

The CHAIRMAN. That gets down into pretty technical legal aspects of where the burden and responsibility lie. I can appreciate that one bringing the charges may have the burden to sustain the charges in the general sense, but I do take the position, and I may be wrong, that the officers of that union, as well as you as its adviser and counselor, have a responsibility when serious charges are made, to go beyond just what the accuser may say, and check on the information he gives you to ascertain whether those charges are true.

Mr. COOPER. Mr. Chairman, the constitution of this international union makes provision for just what you have suggested.

Mr. Sims bypassed that provision, and Mr. Sims had the obligation and opportunity in advance of bringing charges to bring before this general executive board whatever suspicions he may have had. The board would then have been obliged, and I would have so advised them, to set up a committee of inquiry and to have brought before the

board all of the necessary parties to have inquired into the records of the local unions affected, or of the international. But he bypassed that. He put the general executive board into the position, perhaps unfortunately, where they had no choice, if they had done anything else but to sit as a hearing body in the nature of a jury.

Had he proceeded correctly, then your postulation would have been completely correct.

The CHAIRMAN. I am not sure about his procedure under your construction, whether he proceeded correctly. But the thing that impresses me, and I may be wrong about it, is when such serious charges as these are made certainly, officers of a union faithful to their membership and to their responsibility have a duty to ascertain whether those charges are true, irrespective of whether the party bringing the charges has complied with all of the technicalities that might be required under the constitution.

Mr. COOPER. Mr. Chairman, had the board done that, they would have abandoned their position as a hearing board and they would have been in court on the position of having assumed other attitudes which were not consistent with their objectivity.

The CHAIRMAN. Let me ask you this question: Who has the responsibility of ferreting out these charges and finding out whether they are true?

Mr. COOPER. I think initially the person who has information which is derogatory has the obligation under the constitution to bring it to the general executive board. He has no right to assume or arrogate to himself the authority to make an individual investigation and then to bring charges. He had a duty to the international union.

The CHAIRMAN. All right, you want to put all of the blame on the fellow who makes the report of the wrongdoing. I want to determine what is the responsibility and what responsibility does the board or the high officials of the union accept when such charges are brought to their attention.

Mr. COOPER. It depends on the manner in which the charges are brought. Obviously, if the charges are brought to the general executive board for the purpose of investigation, it is one thing. But if the charges are brought seriously, which seek to condemn an officer or member on the basis of specific acts of wrongdoing, it cannot be the function of the general executive board to be both a hearing body and an investigatory body.

The CHAIRMAN. All right. Let us pass on from the board. These charges still prevail and they were public knowledge after your executive board action. What action was taken to pursue it beyond that, and ascertain whether there was any truth in it?

Mr. COOPER. If the Chair please, ever since these charges first appeared in the papers, on the night of March 3, this organization has been in the throes of a dissident factional fight. I cannot see how it has been able to function as effectively as it has because its complete activities have been devoted to preparing for these hearings, the hearings before other committees, and in meeting the challenge that exists in the local unions throughout the country.

It is impossible in this climate to anticipate that a fair, objective, and further investigation could have been contained. This committee is conducting the investigation and the hearings and the results of this committee may be the basis for further action or further consideration by the union or other bodies.

The union itself is not in a position to conduct any independent investigation at this point.

The CHAIRMAN. Why not?

Mr. COOPER. Because they are completely paralyzed by what is going on today and what has been going on since March 4.

The CHAIRMAN. What do you refer to, and what is going on today?

Mr. COOPER. The hearings, the preparation for these hearings, the preparation for hearings before other committees and this union cannot properly be expected fairly to view the whole situation in an objective, detached way.

The CHAIRMAN. What are we saying? Are we saying that unions, particularly this one, cannot meet their responsibilities to their membership in ferreting out corruption?

Mr. COOPER. Of course not.

The CHAIRMAN. And improper activities?

Mr. COOPER. Of course not. I am not saying that.

The CHAIRMAN. I say to you if unions could and would do that, there would not be any necessity for this committee, and there would not be any necessity for us trying to consider legislation.

If they can do that and run their house or their organization properly and orderly and effectively and without graft and corruption and rascality, it would not be necessary for us to be here holding these investigations and trying to develop what the facts are, so that Congress might know how to legislate to prevent these things.

Mr. COOPER. I don't want to leave the impression that I am questioning the value of your hearings, or the virtue with which it is conducted or the motives that keep you gentlemen in this rather unpleasant task.

All that I am saying is that if this committee will consider the time sequence which has taken place since March 3, it will very definitely appear that nothing could have happened internally beyond the fact that on March 28 another hearing was conducted by this union and that since that time the union and its machinery has necessarily been preoccupied with preparing the material and satisfying the requests of this committee.

Now, what will take place subsequently, is a matter which the committee will be answerable for.

The CHAIRMAN. I am concerned that when these things develop that the union itself, its responsible officials, do not take some responsibility and start immediately trying to find out what the truth is and taking appropriate action thereon.

If they would do that we would save the taxpayers a lot of money and we would save Senators a lot of valuable time that they might be applying to other things. There seems to be on the face of it, in this union, a completely indifferent attitude.

Mr. COOPER. I don't consider, if I may respectfully say so, that that last statement is warranted by the record. I may also respectfully differ from you in this respect, that this union has had to meet most unfavorable public notice.

Much of it has been based on supposition and inference before the evidence was in the record. I cannot conceive of how any union and how any organization can be expected to meet its obligations to its membership in a climate which is surfeited with advance statements of proof which is not yet in the record and which is not before the

committee and which has not been properly evaluated or given any weight to.

Therefore, I submit—

The CHAIRMAN. Mr. Cooper, are all hearings not based upon advance information before the proof comes in?

Mr. COOPER. Obviously to the committee but not to the press, sir, if I may respectfully say so.

The CHAIRMAN. Usually when a fellow is indicted it gets in the press. That is a long time before the trial. You know that is true.

Mr. COOPER. I am not suggesting that that is a fair approach to a person who has not yet been tried and convicted.

The CHAIRMAN. It is not a question of being fair or unfair. It is a practice and it is news when an indictment is found and it is official and certainly, after the parties are arrested there is no reason for it to be kept secret. It becomes an official public act that the public is entitled to know.

When one brings charges in your union and files the charges, and it happens to get to the press, I do not know who is telling the truth, Mr. Sims says he did not go to the press. But whether it got to the press or did not get to the press, it did not in any way diminish nor relieve the union's responsible officials from their obligations to do something about it.

Are there any further questions?

Senator MUNDT. Did I understand that you said that you thought it was an unwise practice for the newspapers to report Federal indictments?

Mr. COOPER. Of course not. In the first place, this is not an indictment and this is not a criminal proceeding. This committee, as I understand it, is an investigatory committee for the purpose of obtaining information on which to predicate proposed legislation.

I, therefore, do not feel that the committee is in the same position, even as a district attorney, in announcing the indictment when it is found.

Senator MUNDT. You are talking about your committee or our committee?

Mr. COOPER. I am talking about your committee.

Senator MUNDT. We are not announcing any indictment.

Mr. COOPER. No; but the chairman implied that there was a parallel between the announcement yesterday by Counsel Kennedy and the announcement by district attorney of a criminal indictment. That was my only reference.

Of course, the press are entitled to know everything there is to know.

The CHAIRMAN. Now, you misunderstood me, if that is your interpretation. You are taking the position that because the charges of Mr. Sims hit the press that that was wrong, and that made it difficult for you to proceed, or relieved you from some responsibility, the high officials of the union.

I challenge that. Whether he gave it to the press, or whether the press got it from some other source should make no difference. It neither diminishes the responsibility and obligations, or relieves them from it in any degree to pursue it and to find out whether these charges are true.

You took the position that because it got in the press that that just relieved them.

Mr. COOPER. I am afraid we were talking at cross purposes, if I may say so.

The CHAIRMAN. All right. I am sorry to interrupt you but I wanted to clarify that.

Mr. COOPER. I will try to be brief if I may complete my answer. The objection which the hearing board found to the release of information by Mr. Sims was not exclusively related to the fact that it was announced before anyone received the charges.

The objection which I understand the hearing board had to Mr. Sims was the fact that he had violated a constitutional obligation which required him, upon obtaining any such information, promptly to bring this to the attention of the ruling body of the organization, the duly constituted general executive board.

Instead of assembling quietly and secretly such information, while at the same time voting for the actions which he later disparaged and claimed constituted a breach of conduct on the part of other officers.

After assembling this by himself, without any authority, he was not a secret agency within the union, constituted with the right to assemble this information. He had a duty as secretary-treasurer of the board to provide this information as he got it, and if the general executive board failed to act on it, then he would have been properly authorized to have sought redress elsewhere.

The CHAIRMAN. We have a lot of complaints like that from members, that they are not authorized to complain and if they do they get a trouncing.

Mr. COOPER. He was not only authorized, he was obliged to complain as soon as he knew.

The CHAIRMAN. And when he did, he got condemned.

Mr. COOPER. He did not do it that way. He cannot demonstrate that if he had brought these charges to the attention of the board properly under the constitution that they would not have received proper attention. Had he done so, he would not be in a better position to complain. He can't assume that the board would have dismissed those charges, that the board would have done nothing to investigate them.

That is an assumption which he makes, but it is not borne out by any facts.

The CHAIRMAN. I do not think that you are going to absolve the high officials of that union from responsibility simply because Mr. Sims may have not proceeded according to your wishes.

Mr. KENNEDY. What is the section of the constitution that provides that?

Mr. COOPER. If I may have a copy of the constitution, I will be glad to find it for you.

Mr. KENNEDY. Here is a copy.

(A document was handed to the witness.)

Mr. COOPER. In the first place, under article VII, the secretary-treasurer is chargeable with keeping all of the records and accounts and is initially in a position——

Mr. KENNEDY. Just answer my question, please. You said there was a constitutional provision.

Mr. COOPER. I will be glad to show that to you in just a moment.

Under the membership oath initially, that is on page 39, article XVII, one of the membership oaths which bound Curtis Sims was the following:

I will aid and assist in bringing to justice any member violating this obligation.

That is the obligation supporting the organization. Under article XVII, section 3—and I will read this—members' duties:

Membership in the international union constitutes an acceptance by each member to be bound by the provisions of the constitution, the oath of membership—

which I have just read—

and the laws, policies, and directors of the international union and the local union.

It is the duty and obligation of every member to report to the general executive board every infringement of the constitution by any subordinate body or member of officer thereof.

The CHAIRMAN. It does not say he has to report when he first learns, the first day he learns about it.

Mr. COOPER. Well——

The CHAIRMAN. That is your contention, that he had to report it every time he heard anything. You do not mean that, do you?

Mr. COOPER. I mean that as soon as a member or an officer, particularly someone holding a high office of the second-ranking officer of the international union, acquires information in his official capacity, he has a bounden obligation to report this to the general executive board.

The CHAIRMAN. You did not read that. That is your interpretation, but you did not read it.

Mr. COOPER. You have asked me as a lawyer to interpret the constitution.

The CHAIRMAN. You were asked to site the constitution. Let me ask you something else. Apparently, Mr. Sims, when he did report it, reported it prematurely because nothing was done about it.

Mr. COOPER. He never reported this.

The CHAIRMAN. He did not have all of the evidence to sustain it and he did not have it there before you.

Mr. COOPER. He claims to have the evidence as early as March of 1956, sir. He so stated at the hearing, which is before you.

The CHAIRMAN. On March when?

Mr. COOPER. In March of 1956. That was a year before he brought the charges against Cross and Stuart.

Mr. KENNEDY. Why was that article XVII not mentioned in the charges against Sims then? If that is the one that you are going by?

Mr. COOPER. I don't think that it is appropriate, Mr. Kennedy, for me to try before you or this committee the question as to whether or not the general executive board acted properly.

Mr. KENNEDY. But you have said he violated the constitution and——

Mr. COOPER. That is the finding of the general executive board.

Mr. KENNEDY. I asked you the name of the provision of the constitution.

Mr. COOPER. I think if you will also look on pages 50 and 51, in which you find grounds for charges against members, subordinate

bodies and officers, you will find there, too, the specific references of the charges that were applied to Secretary-Treasurer Sims.

Mr. KENNEDY. That is not the question. You said he violated the constitution.

Mr. COOPER. Well, of course, and if you will examine the sections under pages 50 and 51, and relate that specifically to the charges that the board brought him on, you will see the references there.

Mr. KENNEDY. There is no provision in the constitution that he has to bring it to the board or bring it to the board first before he does anything else about it.

Mr. COOPER. The general executive board is charged by the constitution with interpreting the constitution. They interpreted that membership obligation as every union does, and every fraternal organization does as requiring the disclosure upon acquiring the information.

Mr. KENNEDY. As I understand it then, it would be improper to give it to newspapers first or discuss it?

Mr. COOPER. I think it is an obligation to first, just as anybody would or any group, internally to have resolved any charges or derogatory information.

Mr. KENNEDY. Could you tell me whether James Cross had some charges against Joseph Kane and some of these other people involved in this fracas out in San Francisco?

Mr. COOPER. Those charges, as I recall them, were framed by a committee of the general executive board which was designated to frame the charges after an investigation of the facts.

Mr. KENNEDY. Do you know if those charges were distributed to any member of the press?

Mr. COOPER. Those charges were not only discussed at the international convention from October of 1956 before the assembled press and assembled membership, but they were also discussed——

Mr. KENNEDY. Prior to them being sent out to those who were accused, were these discussed with any members of the press?

Mr. COOPER. I would not know, sir.

Mr. KENNEDY. Did you specifically discuss the matter with Mr. Joe Loftus, of the New York Times?

Mr. COOPER. I may have, and I don't personally recall at this point.

Mr. KENNEDY. Before they went out?

Mr. COOPER. I do not recall that, and I may have.

Mr. KENNEDY. Well now, this is something that you have spent 20 minutes condemning Mr. Sims for and now I am asking whether you discussed this matter with Mr. Joseph Loftus, of the New York Times, before they went out.

Mr. COOPER. In the first place, there is no parallel, and——

Mr. KENNEDY. Just answer the question; would you?

Mr. COOPER. I would like to answer the question in my own way.

Mr. KENNEDY. Did you not discuss it?

Mr. COOPER. I may have and I don't personally recall it. It is unlikely that I discussed it with him.

Mr. KENNEDY. Would you deny that you discussed it with him?

Mr. COOPER. I cannot at this moment recall but it is unlikely that I talked to him about it.

Mr. KENNEDY. Prior to December 4—on or about December 4—you deny that you discussed this with Joseph Loftus, of the New York Times?

Mr. COOPER. It is unlikely.

Mr. KENNEDY. Do you deny?

Mr. COOPER. I cannot recall it, sir. I am not trying to be equivocal.

Mr. KENNEDY. This is something that you are very critical of Mr. Sims for.

Mr. COOPER. I certainly am.

Mr. KENNEDY. If you are that critical, you would be able to remember a conversation that you had with Mr. Joseph Loftus on the same matter.

Mr. COOPER. My answer stands. I think Mr. Loftus should be asked, if you will, since you are probing in those things, ask him as to his recollection, it may be better than mine, if this is a matter of real concern to you.

Mr. KENNEDY. We are interested in you.

Mr. COOPER. I can see that by the questions you ask. I assumed that your function here was not to be interested in me, but in my conduct.

Mr. KENNEDY. That is what interests me.

Mr. COOPER. Thank you, sir.

Senator MUNDT. Was a meeting held in Miami, on March 27 with regard to charges against Secretary Sims?

Mr. COOPER. Yes. I think it was the 28th, if I recall it.

Senator MUNDT. During the convention down in Miami?

Mr. COOPER. No, this was subsequent to the meeting of the general executive board.

Senator MUNDT. What was the determination made at that meeting?

Mr. COOPER. The determination of that meeting or that hearing board was to find that Sims was found guilty of the charges made against him by President Cross.

Senator MUNDT. Did Mr. Sims appear in person at that meeting?

Mr. COOPER. He certainly did.

Senator MUNDT. In Miami?

Mr. COOPER. Yes, he did.

Senator MUNDT. He appeared before the board?

Mr. COOPER. He did. And he made a statement to the board and Mr. Cross, and submitted his position in support of his charges at that meeting.

Senator MUNDT. You say he was found guilty by the board?

Mr. COOPER. That is the information conveyed to me after executive session.

Senator MUNDT. Were you not at the meeting?

Mr. COOPER. I was not at the executive session, sir.

Senator MUNDT. What were the implications of being found guilty? Was he removed from office?

Mr. COOPER. No, sir.

Senator MUNDT. Was he suspended? What happened?

Mr. COOPER. No penalty was imposed. The suspension was continued, which had previously been voted unanimously by the general executive board, including the four vice presidents who had adhered in support of Mr. Sims.

Senator MUNDT. He was actually suspended, then, from his tasks at this meeting on March 6, 7, and 8?

Mr. COOPER. Yes.

Senator MUNDT. You attended that meeting?

Mr. COOPER. Yes, except for the executive session.

Senator MUNDT. And as general counsel for the union, it is your responsibility, I presume, and function, to advise him as to whether or not they are proceeding in conformity with their own constitution?

Mr. COOPER. To the extent that my advice is sought, I am happy to provide it. They don't always ask me.

Senator MUNDT. They did, however, on this occasion?

Mr. COOPER. On some legal questions, yes.

Senator MUNDT. Was the meeting on March 6, 7, and 8 called for the purpose of considering the charges that Mr. Sims made against Mr. Cross, or the charges that Mr. Cross made against Mr. Sims?

Mr. COOPER. The meeting of March 6 and 7 was called initially at the instance of Secretary-Treasurer Sims, who insisted that unless such a meeting was called and a code of procedure adopted, he would assume the office and call a meeting himself.

Senator MUNDT. In doing that, he was conforming with the constitution, internally?

Mr. COOPER. There is no clause in the constitution that sustained that kind of a threat by Secretary-Treasurer Sims.

Senator MUNDT. But he was proceeding properly by taking up internally, as you said, with the members of the union, his charges against Mr. Cross?

Mr. COOPER. To the extent that he was making charges, he was proceeding under the constitution.

Senator MUNDT. So the meeting was called, then, for the purpose of analyzing and evaluating the charges against Cross by Sims?

Mr. COOPER. The meeting was initially called to adopt and consider a code of procedure for trials to be held in this fashion.

Senator MUNDT. That was the purpose of the meeting?

Mr. COOPER. That was the initial purpose of the meeting.

Senator MUNDT. And as the meeting proceeded, they then voted a vote of confidence, or what was equivalent to a vote of confidence, to Mr. Cross, and it was the same as denying the validity of the charges of Mr. Sims?

Mr. COOPER. After considerable discussion, which the record will show, considerable discussion, the code of procedure was finally adopted by a mixed—by a mixed vote, and thereafter, upon the adoption of the code, the charges were considered by the general executive board, brought by Secretary-Treasurer Sims against President Cross and Vice President Stuart.

And this, if I may interrupt, Senator, the hearing, although entitling Cross and Stuart to a 20-day lapse, as Sims himself obtained, was entitled to, the hearing proceeded without that delay at the request of President Cross.

Senator MUNDT. What do you mean? Is it in the constitution that the 20-day lapse shall be between the charges and the answers?

Mr. COOPER. That 20-day lapse is in the code of procedure which was then adopted on March 6.

Senator MUNDT. The code of procedure, as I understand it, says that when a member of the union has been charged with wrongdoing

of any kind, there shall be a 20-day lapse before the so-called trial is held; is that it?

MR. COOPER. Yes. That is one of the facets of the due process which this code underwrites.

Senator MUNDT. Then after that was adopted, and after Mr. Cross had been vindicated by his associates, Mr. Cross, at the same meeting, made charges against Mr. Sims?

MR. COOPER. After the general executive board brought in its conclusion, sitting as a trial board, the charges, as I recall it, were filed by Cross against Sims.

Now, my time lapse may be at fault. I don't recall whether he did it afterward or before or during.

Senator MUNDT. I think your time lapse is correct; your memory of time is correct.

Now, at that meeting, and at that time you were sitting at the meeting, Mr. Sims was not there. Why was he not there then?

MR. COOPER. At which meeting, sir?

Senator MUNDT. At this meeting at which Mr. Cross made his allegations against Mr. Sims.

MR. COOPER. Mr. Sims had left. The board session, sitting as a trial board, had finished, I think, at 1:30 or 2. Everybody else stood by as they were expected to. When the board reconvened, he was not present. However, the next morning, the board reconvened again. I think it was at 12 o'clock or thereabouts, and he had a further opportunity to be present.

My recollection is that he was not present at that meeting either. Not because he was forbidden to be present, but because it appears that he did not choose to be present.

Senator MUNDT. And he had been notified that charges would be made against him at that meeting?

MR. COOPER. The charges were handed to him. He was given a copy of them.

Senator MUNDT. He was not there.

MR. COOPER. They were sent to him, as I recall, by registered mail, in addition. So he knew and had in his possession the very charges on which he was subsequently tried.

Senator MUNDT. If our chronology is correct, they could not have been handed to him at the meeting, because you just stated to me earlier that he was not at the meeting at the time Mr. Cross made the charges.

MR. COOPER. No. He was present at the meeting when Cross made the charges, of course. They were handed to him in front of the whole board. I think what you may be referring to, if I may respectfully interject this, you are not distinguishing between the charges of Cross against Sims and the action of the general executive board ordering the suspension of Secretary-Treasurer Sims until the determination of those charges.

Senator MUNDT. Was Mr. Sims given the benefit of the 20-day lapse provided for?

MR. COOPER. He certainly was. He was offered his choice and he took the 20 days.

Senator MUNDT. I thought this meeting went right along in the same 3 days, and the executive board voted the suspension in the course of the meeting of the 6th, 7th, and 8th.

Mr. COOPER. The suspension was independent of the subsequent hearing on the charges.

Senator MUNDT. But you said they had developed a code of procedure which assured somebody who had been charged 20 days in which he could assemble his evidence and get ready for the consideration of it.

Mr. COOPER. The suspension was not related to his guilt or innocence on the charges. The suspension was voted by the general executive board for the purposes stated in the resolution which the committee has before it. This was by unanimous action of the general executive board.

Senator MUNDT. On your advice?

Mr. COOPER. You mean by advice to what extent, sir? As a lawyer?

Senator MUNDT. On your advice that they could proceed and should proceed at that meeting to do it.

Mr. COOPER. My advice was primarily that they could proceed to do it.

Senator MUNDT. And that you thought it was advisable that they should proceed?

Mr. COOPER. That I don't recall, putting in those specific terms. This was a decision——

Senator MUNDT. Not in those specific terms, but I am sure that you would agree that the implication is specifically there.

Mr. COOPER. If we are going to deal with implications, that implication might be drawn from it.

Senator MUNDT. You will recall that some of the vice presidents objected to this summary way of dealing with Mr. Sims. Some of them raised a question that since Mr. Sims was not there to defend himself, perhaps they should tell him that this resolution was pending, and he be given a chance the next morning to attend the meeting.

Mr. COOPER. That is correct.

Senator MUNDT. Some of them raised the question that he was not only not there, but that he was forbidden to come there, or that he would be forbidden to come there, if the resolution were adopted, because that took away from him his seal of office, so to speak.

(At this point, Senator Ervin entered the hearing room.)

Mr. COOPER. Senator, as a matter of fact, rather than speculation, Sims was not suspended from his position as a member of the general executive board. He attended all of the sessions of the general executive board, subsequent to his suspension. He participated in the deliberations of the general executive board subsequent to it. It is true that some of his adherents on the general executive board suggested a delay in acting on the suspension. However, all of them that morning voted to suspend, and this was reaffirmed the next day.

The object of the suspension was to preserve within the union its capacity to function effectively until the guilt or innocence of Mr. Sims had been determined in orderly fashion under the code of procedure.

Senator MUNDT. Is it the position of the union that it can function successfully only when every member votes obediently and affirma-

tively and unanimously with the president, and that if they have one man voting in opposition, to wit, Mr. Sims, then the union could not function?

Mr. COOPER. Of course not, sir. If the facts are of interest to you at this point, I will say this: That Secretary-Treasurer Sims was suspended, as I recall, with full pay and is still under such suspension, that you would have had in this organization, as in any organization, a complete stalemate if the secretary-treasurer and the president were at the particular loggerheads which the charges and countercharges reflected; that no organization could be expected to function effectively when its two top officers were in this particular posture, and that the general executive board acted, in their judgment, unanimously to effect a temporary suspension of Secretary-Treasurer Sims until a determination had been made on the charges.

Senator MUNDT. Since no determination had been made on the charges, would it not have been more appropriate, then, to suspend them both until a determination could have been made? Why single out one and label him as guilty by virtue of his suspension and retain the other?

Mr. COOPER. Well, there were two reasons, I assume, for that not taking place. In the first place, President Cross had been cleared of the charges. Secondly, you cannot function in any organization by it being headless, and to have suspended both would have destroyed the capacity of the organization to function in that period.

Senator MUNDT. You do have a vice president; do you not?

Mr. COOPER. The vice presidents are not the executive officers of the international union. The executive officers are only two, the president and the secretary-treasurer.

Senator MUNDT. What would happen if Mr. Cross had had a heart attack?

Mr. COOPER. The general executive board would have met, under the constitution, and, I assume, either named a substitute or otherwise proceeded.

Senator MUNDT. Which they could likewise have done had they suspended both officers?

Mr. COOPER. There was no basis that the board could find at that point for effecting such a suspension, however welcome that might have been to Mr. Sims and the others.

The CHAIRMAN. Are there any further questions?

Senator MUNDT. No; I think not, but I think the record shows, and I think Mr. Cooper will not deny, if he does we can read it to him, that his counsel to the executive board urged promptness at that meeting in suspending Mr. Sims, and assured them that they had the constitutional authority to do so, when the vice presidents raised the question.

Mr. COOPER. I think, Senator, that in all fairness to me, there should be read into the record my statement to the general executive board at that point.

Senator MUNDT. And that you had also drawn up the resolution against Mr. Sims.

Mr. COOPER. I had helped prepare it; yes.

Senator MUNDT. That had been drawn up, as I understand it, prior to the vote.

Mr. COOPER. Naturally.

Senator MUNDT. And prior to the motion made by whoever moved it?

Mr. COOPER. Yes. But by the same token——

Senator MUNDT. At the suggestion, I presume, of Mr. Cross.

Mr. COOPER. By the same token, had the charges against Cross been sustained, the resolution would have had no place. This is common practice among lawyers, as Mr. Kennedy may be able to disclose. It is common practice that in anticipation of action, papers are drawn, legal documents are drawn. They don't go in unless the occasion warrants it.

The CHAIRMAN. Let us see if you followed that practice.

Did you draw up one against Sims in advance?

Mr. COOPER. Sir?

The CHAIRMAN. Did you draw up one against Cross in advance?

Mr. COOPER. I was not asked to by Mr. Sims. If Mr. Sims had come to me, sir, as a legal officer for the union——

The CHAIRMAN. But you have the responsibility to initiate some things as counsel.

Mr. COOPER. My responsibility is circumscribed and limited so that——

The CHAIRMAN. At least, you did not draw up one against Mr. Cross.

Mr. COOPER. I was not asked to. It was not suggested to me. If it had been and I refused, certainly there would have been a cause for complaint against me.

Senator ERVIN. May I ask a question along that line?

Did you draw up an alternative one in Mr. Sims' favor?

Mr. COOPER. It was not suggested to me and I did not do so. There would have been no occasion.

Senator ERVIN. Did you know in advance of the meeting what action the committee was going to take?

Mr. COOPER. No; I did not.

Senator ERVIN. That being true, the meeting could have either passed the one you drew or they could have passed one in favor of Mr. Sims, could they not?

Mr. COOPER. Senator, that resolution could have easily, with a few pen scratches, have provided for the contrary in accordance with your suggestions.

Senator ERVIN. It would have been easier to draw than the one you did draw. Why did you not draw them in the alternative, so you would have whatever action was taken covered?

Mr. COOPER. Because the conduct of the board at that point was in consideration of the charges against Cross.

Senator ERVIN. So you prepared a verdict, what was equivalent to a verdict, of guilty, and neglected to prepare a verdict of not guilty?

Mr. COOPER. If the Senator please, had the board at that session on March 8 voted to sustain the charges against President Cross, they would then——

Senator ERVIN. I am not asking about Mr. Cross. I am asking about Sims. You drew up a resolution which was a resolution anticipating in advance that the board was going to take action against Sims, adverse to Sims. Why did you not draw an alternative one for them in case they took action favorable to Sims?

Mr. COOPER. I think such a resolution might have been prepared by Mr. Sims' personal counsel, for all I know.

The same gentleman——

Senator ERVIN. You were the counsel employed by the union to draw up the resolutions showing the action of the executive board, rather than Mr. Sims' personal counsel were you not?

Mr. COOPER. Except that Mr. Sims did not repose in me the confidence which he did in other counsel.

Senator ERVIN. I am not asking you about that. I am asking if you are supposed to be the counsel for the union.

Mr. COOPER. I am, sir.

Senator ERVIN. And you went to a meeting at which a decision was to be made, and which decision could have been made either one way or the other. You prepared the resolution to take care of the situation if the action was adverse to Sims, but no resolution to be used in case action was favorable to Sims. Is that not correct?

Mr. COOPER. That is correct, sir.

Senator ERVIN. To my mind, it is sort of similar to the Lidford Law. "I oft have heard of Lidford Law——"

Mr. COOPER. I am unfamiliar with that, sir.

Senator ERVIN. Listen and you can hear about it.

Mr. COOPER. I will be happy to learn.

Senator ERVIN. You may not have heard of it, but you seem to be familiar with it. "I oft have heard of Lidford Law, how in the morn they hang and draw, and sit in judgment after."

In other words, the judgment of the executive board was prepared by you as counsel before the judgment was handed down, was it not, in the form of the resolution you drew?

Mr. COOPER. The resolution was unrelated to the decision of the general executive board, which was drawn by the general executive board sitting as a trial body. Let us distinguish, in all fairness to me, between the action of the general executive board and its minutes, which were drawn, incidentally, by Vice President Conway, who is an adherent of Secretary-Treasurer Sims, reporting the vote and the action of the general executive board. I did not draw that.

What you are referring to is a subsequent action unrelated to those charges, but related specifically to the charges drawn by Cross against Sims.

Senator ERVIN. In other words, you drew a resolution in advance of the meeting to sustain the charges preferred by Cross against Sims before the executive board had had an opportunity to pass on those charges.

Mr. COOPER. Not at all, sir. The suspension resolution which I drew related to the charges not yet heard.

Senator ERVIN. That is what I am talking about. That is exactly what I thought.

Mr. COOPER. They did not contain—if you will look at the resolution or read it into the record, you will see that it is a carefully drawn paper which does not convey guilt or innocence with respect to the charges of Cross against Sims; that it is strictly a mechanical proposal designed to make it possible for the union to function effectively in the event that the charges against Cross were not sustained by the board, and pending the determination of the charges of Cross against Sims.

Senator ERVIN. That is exactly the point I am trying to make. You drew up something to take care of one event which had not, theoretically, been decided on, and did not draw up anything to take care of the other event in case the first event did not happen.

That is all.

The CHAIRMAN. Are there any other questions?

Senator MUNDT. Mr. Chairman?

The CHAIRMAN. Senator Mundt.

Senator MUNDT. Mr. Cooper suggested that I read into the record the statement he made which indicates to me he was not strictly an impartial adviser in this matter, but that he was on the side of those trying to oust Mr. Sims at the particular meeting.

He said that he made some statements only when called upon for his recommendations, I believe.

Mr. COOPER. If you will see, sir, this statement that you are about to read was not made at the hearing board. This statement was made when the hearing board had finished its deliberations. This statement was made at a subsequent meeting of the general executive board, at which I frequently volunteered statements.

Senator MUNDT. Your powers of clairvoyance are not nearly as competent as your legal capacity, Mr. Cooper. You are wrong. What I am about to read was made at the executive committee meeting; it was made after the resolution which you had drawn up condemning Mr. Sims had been offered; it was made before the vote was held.

Mr. COOPER. If the Senator will permit me one minor correction, the general executive board had, sitting as a trial board, concluded prior to reconvening as a general executive board. If you will look a few pages ahead, I am certain you will find that what I say is accurate.

(At this point, Senator Curtis entered the hearing room.)

Senator MUNDT. I do not see any pertinence to what you are saying, because of what I am pointing out, and you can comment on this, if you will; the statement I am about to read was made by you voluntarily without being called on for counsel.

Mr. COOPER. Not at the hearing board.

Senator MUNDT. The statement was made by you at whatever kind of a "shenanigan" board you had at the time you disposed of Sims. I do not know whether it was a hearing board. I do not think it was, either. I think it was kind of a trumped-up scheme to get rid of Sims. I agree with you; it was not a hearing board. It was an executive session after the hearing board had been concluded. Then they presented charges against Mr. Sims. Without going into a hearing board, they disposed of him. I quite agree with you on that; that they rang him out without going into an executive hearing board.

Mr. COOPER. Senator, I am sure you don't intend to convey by your last statement a judgment of what took place there, based on the hearing that you have had thus far.

Senator MUNDT. I simply accept your word for the fact that you got rid of Mr. Sims without even giving him the right to be heard in a hearing board or to have his case considered by a hearing board.

Mr. COOPER. Senator, I think there, too, you may be overreaching the facts.

Senator MUNDT. I am taking your word for it.

Mr. COOPER. You are not taking my word by that previous statement.

Senator MUNDT. I am taking your word that you were not in a hearing-board session. We will start over. Were you in a hearing-board session or were you not, when you voluntarily injected yourself into the argument about Mr. Sims?

Mr. COOPER. Now that you ask me, categorically, I tell you that that statement was not made as part of the hearing-board session, and I submit that the record will support that.

Senator MUNDT. All right, then——

Mr. COOPER. I think, Senator——

Senator MUNDT. You were not considering the charges against Mr. Sims as part of the hearing-board sessions; you did not extend to him the same constitutional privileges you had a few hours ago extended to Mr. Cross. Mr. Cross had a hearing board. Now you say for Mr. Sims, "We had the resolution of condemnation, but didn't give him the benefit of a hearing board; we simply voted his suspension." Is that what you are trying to say?

Mr. COOPER. That is not what I am trying to say, sir.

Senator MUNDT. It sounds like it to me.

Mr. COOPER. I am sorry if I left that impression with you.

Senator MUNDT. Correct it, if you can.

Mr. COOPER. I will be happy to. The hearing board had concluded. The hearing board had taken action on the charges by Sims against Cross, by a secret ballot. The meeting was then reorganized and continued as a session of the general executive board, not of the hearing board.

The general executive board, unlike in character the hearing board, functions in an executive and legislative capacity. In its legislative and executive capacity, it considered the fact that the charges had been made by Cross against Sims, which were to be heard on March 28, and a resolution was proposed in the interest of maintaining orderliness within the organization until those charges were resolved.

Sims had 20 days to prepare for that hearing. The hearing, therefore, did not take place at that time. The general executive board was to consider what to do at that point, in order to maintain a proper administration of the organization. And, therefore, at the general executive board session, they considered this resolution and debated it.

Senator MUNDT. Why did they not deal with Mr. Cross in the same manner? Why did they have a hearing board for him?

Mr. COOPER. I will tell you precisely why. The charges against Cross were mailed to him on March 3. He received them physically on March 5. The session of the general executive board was convened on March 6. On that day, they adopted a code of procedure. Thereafter, I believe it was the next day, they went into session as a hearing board. Cross waived the 20 days he was entitled to. He stood ready to go to trial right then and there. So there was no lapse between the bringing of the charges against Cross and the hearing, as there was in the case of Sims. In the case of Sims, he was offered the opportunity to go right to trial. He chose not to go to trial at that point. He asked for the 20 days.

Senator MUNDT. He was not there, and he was suspended.

Mr. COOPER. What Counsel Kennedy said to you was not the fact. He was publicly, on the record, offered the opportunity, when given the charges, to go to trial at once or the next day, and he rejected it.

Senator MUNDT. Will you find that for us in the minutes?

Mr. COOPER. Of course, I can.

Mr. KENNEDY. Was he present? Answer the question. Was he present at the time he was suspended?

Mr. COOPER. He was not present at the time he was suspended.

Mr. KENNEDY. Was he notified that that matter was going to be taken up?

Mr. COOPER. No; he was not notified, but he was given the charges and given the opportunity to go right to hearing. The fact that he was not present was his choosing, sir, because every single other member of the executive board was present at that meeting, except Sims, and no one kept him away.

Mr. KENNEDY. Did he know it was going to be taken up?

Mr. COOPER. Did he know? I don't know whether he knew it or not. He had 4 people there who could have brought him in in 10 minutes.

Senator MUNDT. Do you have a vice president by the name of DeConcini?

Mr. COOPER. Yes.

Senator MUNDT. He was protesting against this rush action.

Mr. COOPER. As he called it, yes. And he voted for the resolution.

Senator MUNDT. After you had urged him, and others had urged him to do so. But he had said:

I think the fact of the secretary's absence at this meeting, to take action such as this in his absence may give him cause for recourse which he ordinarily would not have. While the statement was made that the board is still in session, I came to the meeting today to a hearing.

The vice president did not understand that this was going to be sort of a Dr. Jekyll and Mr. Hyde proceeding, that you switch from one kind of meeting to another, depending upon whether you are working against the president or the secretary of the union. He did not understand that, and he is vice president. He ought to be pretty well advised.

That can be one interpretation, but I don't think that there has been any normal announcement of any board meeting this evening.

This is a meeting which is called on the spur of the moment, after Mr. Sims, perhaps, had gone home.

At least, the vice president said:

There hasn't been any formal announcement of any board meeting this evening, and without the secretary having such a formal announcement, it may give him recourse as to the legality of this being taken in his absence. I think for the protection of this international union, or for any recourse that he may take as a result, there is no question in my mind that the resolution will be passed, yet I would prefer to see the resolution held in abeyance until we convene at 10 a. m., tomorrow morning for the protection of our own international union.

at which point you voluntarily injected yourself into the conversation by saying—

What assurance have you that Mr. Sims will be here then?

That pretty well indicates what side you are on. This shows whether it is an executive meeting, a board of hearing, or a neighborhood club.

It indicates where you were.

Mr. COOPER. Senator, it depends on the tone of voice. I assure you that was not my tone of voice at that time.

Senator MUNDT. The words to me indicate the tone of voice that a histrionic young man like you would use.

Mr. COOPER. Senator, you are well aware that the emphasis of words given convey an impression. In this case, that was not my impression. The words are accurate, but the tone was not.

Senator MUNDT. I cannot argue about the tone. I was not there.

Mr. COOPER. Exactly. Let me underscore this fact, rather than supposition.

These same gentlemen, Mr. DeConcini, Mr. Conway, Mr. Miller, and Mr. Goodman, were present the next day. They did not bring up, and they did not offer, any counterproposal to the resolution. They had an opportunity. Mr. Sims had an opportunity the next day to ask for a reconsideration of the action taken that morning. None of these gentlemen afforded themselves of the parliamentary opportunity, since they had voted for the resolution, of asking that it be reconsidered or that other action be taken.

They stood quietly by.

(At this point, Senator McNamara entered the hearing room.)

Mr. COOPER. It is only now after the event that they come forward and say it shouldn't have happened. But they were for it when it happened.

Senator MUNDT. What I am quoting to you, sir, is not after any events. This was something that you said, and something Mr. DeConcini said at the meeting before the vote.

Mr. COOPER. Would you mind reading my full statement, sir?

Senator MUNDT. I read it to you and you objected to the tone of voice. I read everything you said at that point, as a volunteer.

Mr. COOPER. Suppose you use whatever tone you prefer, naturally.

Senator MUNDT. I will read, now, something Mr. DeConcini said, after you had spoken, regardless of what tone of voice was used. These are the words.

Mr. DeConcini said:

You want to know what good will be accomplished by holding this off until 10 o'clock tomorrow morning. I can name a number of things that will be harmful for this international union. You are stating here now that you are suspending the secretary-treasurer while he was not present, and you are telling him not to come into the building.

That would be pretty difficult, for him to appeal from the ruling of the board or ask for reconsideration if he has to do it by telephone, because they are telling him not to come into the building.

He can't even go over to get his stuff out of his desk. He will have a nice story to tell about this international union when he leaves here. Is that what you want to arm him with?

I assume that Mr. DeConcini must be the seventh son of a seventh daughter. He has prophetic power.

What harm can you do by holding it off until 10 o'clock tomorrow? If you want to give him a good story to hit the road with, start it off now. That is all I have to say.

Hearing Officer Conway said, "Is there anything further" and they snapped the resolution through.

Mr. COOPER. As you must appreciate by now, Hearing Officer Conway is, I assume, the chairman for a so-called committee for the integrity of the union and a firm and outspoken adherent of Secretary-Treasurer Sims. He was in the chair, sir. As the chairman of the meeting, he had an opportunity to declare the resolution out of order, he had an opportunity to direct that there be no action taken.

Senator MUNDT. The general counsel said it was in order, and I doubt if layman Conway would want to refute the general counsel.

Mr. COOPER. The fact is that Hearing Officer Conway did not take my advice on several occasions during the hearing, and I was not sustained in every particular. He is a very strong-minded individual who had the opportunity to act and didn't act. Whether they didn't act out of choice, or whether they didn't act out of strategy is for them to answer. But the fact is they had an opportunity at that very meeting. The next day we reconvened, I think it was at 12 o'clock of that same day, to take whatever affirmative action they would have considered to have been appropriate. This is a deliberative body. It is like any board, like any group of men who function in this fashion.

The CHAIRMAN. Let us get to a little shorter procedure here. I do not want to deny someone a right to say anything that is relevant. But when a question is asked, you are making a speech.

Senator ERVIN. I want to ask a question or two in a very mild tone of voice.

Mr. COOPER. Thank you, sir.

Senator ERVIN. What day of March was it that the hearing board and the general executive board took this action with respect to the acquittal of Cross and the suspension of Sims?

Mr. COOPER. I think it was March 8, sir.

Senator ERVIN. March 8. The hearing board and the general executive board are composed of the same men?

Mr. COOPER. With the exception of the three individuals who were involved in the proceeding.

Senator ERVIN. Well, now, did some of the individuals involved in the proceeding participate in one of these and not the other?

Mr. COOPER. Participate in what, sir?

Senator ERVIN. Well, you said that the two boards were the same except for the three individuals involved in the proceeding.

Mr. COOPER. That is right. When the board reconvened, sir, the three gentlemen disqualified themselves from any action.

Senator ERVIN. Who were they?

Mr. COOPER. They were President Cross, Secretary-Treasurer Sims, and then Vice President Stuart.

Senator ERVIN. I thought you said that Sims was not there.

Mr. COOPER. Sims was not there the next day. Cross made a statement on the record.

Senator ERVIN. I am not asking about Cross. Let us stick to—

Mr. COOPER. He did not vote.

Senator ERVIN. Sims was not there the day the action was taken?

Mr. COOPER. Sims was not there for reasons known best to himself. He was not barred from the meeting.

Senator ERVIN. He was not there. That is all I asked you.

Mr. COOPER. That is a fact.

Senator ERVIN. The day that the hearing board and the general executive board sat, Sims was not there.

Mr. COOPER. Right.

Senator ERVIN. And Cross and Stuart did not sit on the hearing board but sat on the general executive board?

Mr. COOPER. That is right. But I think you will find that Stuart did not vote.

Senator ERVIN. But anyway, he was there. Who had preferred charges against Stuart.

Mr. COOPER. Sims.

Senator ERVIN. And Sims had preferred charges against Cross?

Mr. COOPER. That is right.

Senator ERVIN. And the charges against Cross and Stuart were not supposed to be heard in the normal course of events for 20 days, were they?

Mr. COOPER. That is what the code allowed them as defendants—

Senator ERVIN. Right. So Cross and Stuart came in in the absence of Sims and waived the 20 days?

Mr. COOPER. That is not true, sir.

Senator ERVIN. When did that happen?

Mr. COOPER. That happened in front of Sims. He was present. He was present, sir.

Senator ERVIN. What day was that?

Mr. COOPER. I think that was March 7, when the hearing began.

Senator ERVIN. In other words, on March 7—

Mr. COOPER. If the Senator please, the dates are getting confused. On March 6, as I recall it, Cross and Stuart stated on the record that they were prepared to proceed at once with the charges. Sims then stated that he would require an additional day or half-day in preparation. This, of course, was provided to him.

So the hearing did not begin until the next day, that is March 7, at 2 o'clock.

Senator ERVIN. And, as a matter of fact, such hearing that was held was on the 8th, was it not?

Mr. COOPER. It began on March 7 at 2 o'clock, and terminated, I think, at 1:30 or 2 o'clock in the next morning of March 8.

Senator ERVIN. Was Sims there on the 7th?

Mr. COOPER. He was there on the 7th, up to the time when the general executive board sitting as a trial board concluded the hearing and went into executive session.

Senator ERVIN. The action was taken, I thought, on the 8th.

Mr. COOPER. The meeting ran into the 8th. At the conclusion of the hearing board's action, which was announced by Hearing Officer Conway and Secretary DeConcini, that the charges against Cross and Stuart had not been upheld, the meeting was reconvened, as the record will show, as a general executive board, because the function of the hearing board had terminated.

Senator ERVIN. Did Sims testify against Cross?

Mr. COOPER. He certainly did.

Senator ERVIN. Sims was not back on the eighth?

Mr. COOPER. Sims was in the hallway for a considerable period of time, and left for parts unknown before the general executive board reconvened and before the hearing board came together.

Senator ERVIN. How long, precisely, was it before the hearing board reconvened on the eighth as a general executive board? How many minutes in time was it?

Mr. COOPER. I think the record will show that they terminated the hearing at about 10:30, and my recollection is they debated this and sat in executive session until at least 1:30 or 2 in the morning, of the eighth.

Mr. KENNEDY. Debated what?

Mr. COOPER. Sir?

Senator ERVIN. You have not quite answered the question.

The hearing board ceased to operate, and the general executive board began to operate. How much time was it between the time the hearing board ceased to function and the general executive board started to function?

Mr. COOPER. Not much time.

Senator ERVIN. How many minutes?

Mr. COOPER. I think the record may show that.

Mr. KENNEDY. Senator, the hearing board ended at 2:07 a. m. This is 2:07 in the morning.

Mr. COOPER. March 8.

Mr. KENNEDY. And Sims wasn't around. By 2:55 a. m., they had taken the action suspending Mr. Sims.

Senator ERVIN. Precisely when did you draw the resolution about Mr. Sims?

Mr. COOPER. The resolution was drawn, probably, on March 6, as I recall.

Senator ERVIN. In other words, a resolution was drawn 2 days before?

Mr. COOPER. The resolution was drawn in contemplation of two possible events, one of which was the fact that Cross was going to bring charges against Sims, which he did, I believe, on March 6, and the other was the fact that if the board did not sustain the charges against Cross and Stuart, that it might consider appropriate the action proposed by the resolution.

Senator ERVIN. In other words, you drew the resolution providing for the suspension of Sims on charges which Cross had not then brought?

Mr. COOPER. The charges were prepared and were served on the same day that the resolution was brought.

Senator ERVIN. Wait a minute.

Mr. COOPER. Was dated.

Senator ERVIN. Wait a minute. As a matter of fact, you drew the resolution, the proposed resolution, suspending Sims before the charges on which he was to be suspended were prepared and served?

Mr. COOPER. I think that is so.

Senator ERVIN. In other words, you draw up what is equivalent to a verdict of guilty before the indictment is even presented and the charge made.

Mr. COOPER. Well, you can place that construction on it, but I tell you this is customary practice in courts, in administrative agencies, and elsewhere. There is nothing unusual about that, Senator.

Senator ERVIN. Having spent a large part of my life in courts, I have never yet heard of drawing up a verdict, which is to be rendered in a case, before the charges are preferred against the person against whom the verdict is to be rendered. This is the first time I have ever heard of it in human history.

Mr. COOPER. Senator, perhaps I did not make myself clear.

Senator ERVIN. You made yourself too clear.

Mr. COOPER. May I explain that so that it is not left dangling in its present context? If you will recall, the general executive board, sitting as a hearing board, had complete authority and did exercise it in executive session by secret ballot as to whether or not to sustain or to support the charges made.

That hearing took place on March 7 and 8.

The charges which Cross had brought and was to bring against Sims were necessarily prepared in advance of that. Had the general executive board, sitting as a trial board, not sustained the charges, and they were in a position to do so without influence or control because they sat in executive session by secret ballot, then, naturally, these preliminary documents would have had no place. But it is the function of a lawyer to anticipate, as I did, the possibility that the charges would not be sustained.

Had the charges been sustained, obviously this resolution would have had no place, because the board could then have proceeded to have terminated Mr. Cross' connection with the international union.

By the same token, under the charges which Cross brought against Sims, and which contemplated this period of 20 days before the hearing would be had, you had a different circumstance, and it would be just as natural to anticipate that the hiatus would have to be filled in some way.

My proposal which the board adopted was the suspension resolution which they acted on.

Senator ERVIN. So, to make a long story short, you, as a lawyer, anticipated 2 days before, that the secret ballot would be in favor of Cross and, therefore, you did not anticipate anything to the contrary. Therefore, you did not draw anything for any use in any contrary result from the secret ballot?

Mr. COOPER. There would have been no need for me to draw a contrary document, because the action of the board at that point would have been final.

Senator ERVIN. But 2 days before the secret ballot was held, you prepared the papers, based upon the secret ballot going a certain way rather than another?

Mr. COOPER. Senator, as a practicing lawyer——

Senator ERVIN. Answer that question.

Mr. COOPER. I drew this for the assistance of the board in anticipation of the possibility that it would be of use to the board. By the same token, and let me make this clear, we frequently make motions in various courts, and in contemplation of what a judge will do, we prepare proposed orders, and those proposed orders, inevitably, reflect the possibility that a motion will be granted or denied, and that the order will reflect the proposed action of the judge.

There is nothing irregular or surprising about that.

Senator ERVIN. Did I understand you to say that you drew this in collaboration with the board?

Mr. COOPER. I did not draw it in collaboration with the board. I drew it under the only circumstance under which it could have been of service to the board.

Senator ERVIN. That is all.

Senator MUNDT. You did say you drew it in consultation with the board.

Mr. COOPER. Not with the board. It was adopted by the board. I drew it in consultation with some members of the board.

Senator ERVIN. That is right.

Mr. COOPER. Of course.

Senator ERVIN. In other words, 2 days before the trial was to be held, you drew, in consultation with the jury that was going to pass on the trial, you drew the verdict, and the verdict was in favor of Cross and against Sims.

Mr. COOPER. Well, I think that you have to measure that not in the form in which it is stated. Obviously, the board, by a majority of votes, could have exercised its power and have upheld the charges. Certainly some of the members—

Senator ERVIN. If they had done that, you would have to say, "Well, I haven't got a verdict to cover that situation. The verdict is for the other situation."

Mr. COOPER. Let me make this clear. The board itself adopted the minutes of that meeting.

The board itself could have included in those minutes what action it wanted to take. This was not in contemplation of the charges that were then being heard. This was in anticipation of the fact that if the charges were not sustained and the other charges were served as they were, that a hiatus of 20 days would have elapsed, during which there would have to be some affirmative action, either to suspend or not to suspend.

That suspension was one which the board itself took. There is nothing irregular in that.

It would have been possibly irregular if Cross had a 20-day lapse of time and he was not suspended, while at the same time Sims was suspended. But Cross was tried. Cross was found not guilty of the charge. Therefore, he was not in the same position.

Senator ERVIN. Just as you had anticipated 2 days before that he would be acquitted and prepared the record accordingly.

That is all.

Mr. COOPER. My mental operations and my anticipation, I submit, are not a proper subject for judging what took place at this meeting. I acted as a lawyer, and as lawyers often do.

Senator ERVIN. I say you are a pretty good prophet because everything came out pretty much as you planned it and drew the papers for.

Mr. COOPER. It might have come out that way, Senator, but that is the way it should have come out. That is the correct way. I don't think it is fair to draw an assumption that any other way would have been a correct way, or because anybody dissents that they are right.

The CHAIRMAN. Just a moment.

Mr. COOPER. I am sorry, sir.

The CHAIRMAN. I expect to get a little attention when I call for order.

Senator MUNDT?

Senator MUNDT. The board convened, the counsel says, and I want to confirm this, the board convened after its court hearing or whatever he called it—

Mr. COOPER. The hearing board.

Senator MUNDT. The board convened after the hearing board at 2 something in the morning.

Mr. COOPER. Yes.

Senator MUNDT. In other words, the same members, with the exception of the people personally involved were to vote.

Mr. COOPER. Yes, except for the absence of Sims at 2:30 in the morning that day, or 2 o'clock.

Senator MUNDT. So they divested themselves of their halos as members of a judicial board as far as Cross was concerned and put on horns as far as stabbing Sims was concerned at 2 o'clock in the morning when Sims was not there.

Mr. COOPER. At his own choice, I might add.

Senator MUNDT. His own choice?

Mr. COOPER. Right.

Senator MUNDT. Since the first time that the executive board had met and approved this resolution that you and the Senator from North Dakota have been discussing, I wonder how Sims, who was not there at 2 o'clock in the morning, between then and about 2:30 or 2:50 when you adjourned, was given any opportunity to express himself as to this 20-day waiver.

Mr. COOPER. He had been given the opportunity on the 20-day waiver. I believe it was, on March 6, as the record will show.

Senator MUNDT. Had he been advised on March 6 that the jury was going to go against him and that he was going to be charged? How did he know?

Mr. COOPER. May I again correct the statement, in the light of the record? When the charges were given to him, the statement was made, as I recall, by President Cross, that since he had been prepared to immediately proceed to trial on the charges against him, he suggested that it might be just as appropriate if Sims preferred it, that he, too, waive, and that the whole thing be disposed of by the hearing board at that session.

It was Sims who invoked the 20-day lapse as he had a right to do and, therefore, the space of 20 days was utilized by Sims as he had a right to do under the code and he acted on that. He made the choice, not the board.

Senator MUNDT. It is very difficult for me to comprehend in view of the fact that the charges made by Cross against Sims grew out of the failure of the hearing board to sustain the charges that Sims made against Cross. Is that correct?

Mr. COOPER. That was one of the elements of the charge, of course.

Senator MUNDT. That was in the resolution?

Mr. COOPER. That is right.

Senator MUNDT. So it is very difficult indeed to see how the executive board would say to Sims:

We are going to have a hearing board, and after the hearing board, we are going to bring out a verdict of not guilty for Cross, and then we will bring in a verdict of guilty for you. So after we go through the motions of a hearing board, we want to know what you are going to do about the charges against you.

And he said—

Well, I waive the 20 days.

Mr. COOPER. Senator, that is not what took place.

Senator MUNDT. That sounds like what took place.

Mr. COOPER. It may sound like it, but that is not what took place, and I am sure the board record will support me. I am confident that when Cross gave the charges to Sims, he then offered him the opportunity just as a suggestion—he couldn't impose it on him; he couldn't force him to do it—that he could then, despite the fact that he had 20 days, proceed to a hearing.

Sims chose to wait. He had a right to do that. Follow me, sir. It was not the general executive board which made this proposal to Sims. It was the accusing party. The general executive board took no action on whether or not Sims should or should not have the 20 days. That was incorporated as a condition of the code of procedure.

He had a right to the 20 days.

Senator MUNDT. Yes; but there was no time when Cross could conceivably have made his charges with any validity until after he had been cleared, and he was not cleared until 2 o'clock in the morning.

Mr. COOPER. That is not when he gave him the charges.

Senator MUNDT. The charges include the fact, or he stated in his original statement, that—

Due to the fact that I have been cleared, therefore, the man who made these charges against me makes it untenable for us to sit on the board together.

Mr. COOPER. Suppose we determine from the record, sir, precisely, since this is a point of interest to the committee, what took place in point of time, rather than depending on my recollection or your interpretation.

Mr. KENNEDY. Do you say that Sims waived the 20 days or did not waive the 20 days.

Mr. COOPER. He did not waive the 20 days.

Mr. KENNEDY. So he had the 20 days?

Mr. COOPER. He certainly had.

Mr. KENNEDY. Did he know that this matter was going to be taken up at 2:07 in the morning?

Mr. COOPER. Did he know that the resolution was coming up?

Mr. KENNEDY. Yes.

Mr. COOPER. I don't think he knew it; of course not.

Mr. KENNEDY. He had the 20 days, and he was suspended before he had a chance to answer the charges.

Mr. COOPER. The suspension was unrelated to the ultimate outcome of the charges.

Mr. KENNEDY. That is fine, but he never had the possibility of 20 days to answer the charge, did he?

Mr. COOPER. The charges were unrelated.

Mr. KENNEDY. I understand that. Answer the question. Did he have 20 days to answer the charges?

Mr. COOPER. Of course.

Mr. KENNEDY. Was he suspended prior to that time?

Mr. COOPER. Yes; the suspension was an interim determination. He was suspended with full pay.

Mr. KENNEDY. I understand. But was he suspended?

Mr. COOPER. He was suspended by action of the board, sir; yes. He was suspended the same way that the AFL-CIO under its constitution in almost parallel language, suspended Dave Beck as a vice president of that organization, the executive council.

Mr. KENNEDY. Did they give Mr. Sims, did the executive board give Mr. Sims a chance to answer the charges before they suspended him?

Mr. COOPER. He had 20 days to answer the charges.

Mr. KENNEDY. But he was suspended first?

Mr. COOPER. The suspension——

Mr. KENNEDY. Just answer the question.

Mr. COOPER. You are mixing up two things.

Mr. KENNEDY. Just answer the question. Was he suspended prior to the time he had a chance to answer the charges?

Mr. COOPER. Of course.

Mr. KENNEDY. Was Mr. Cross, when the charges were made by Mr. Sims against Mr. Cross, suspended?

Mr. COOPER. No. Because the charges he received on March 5 and he went into hearing on March 7.

Mr. KENNEDY. Did the board meet then and suspend him?

Mr. COOPER. There was nothing to suspend him. He went right into charges. Had Sims gone right into charges, we might not have had this problem with you now. The suspension was unrelated.

I think it is important that you have the resolution of the suspension read into the record and that will explain why the board took the action. It did unanimously, including the four people who were supporting Sims in this proceeding, and they made no protest of the suspension, although they had an opportunity to do so the next day.

Mr. KENNEDY. I think it is a little peculiar to have a meeting at 2 o'clock in the morning, an executive board meeting at 2 o'clock in the morning, not inform anybody that it is going to take place, and then suspend somebody.

If that is the way you operate, fine. You are the attorney and you have advised them to do it.

Mr. COOPER. Mr. Kennedy, I cannot quarrel with the implications that you place on these acts. It is to me strange that 19 out of 20 or whatever the number was, with 1 absentee of the whole general executive board, was present there and the man who claimed to be most concerned with the outcome, the man who brought the charges, the secretary-treasurer of the union, found it in his self-interest, perhaps not to be there.

Mr. KENNEDY. Would you tell the committee why you would not want to wait until the following morning at 10 o'clock?

Mr. COOPER. The resolution will indicate the reasons why the general executive board unanimously adopted that resolution. It was to provide an interim orderly method——

Mr. KENNEDY. They could not do it from 2 a. m. to 10 a. m.? You could not wait 8 hours?

Mr. COOPER. For a variety of reasons which I submit the resolution speaks for itself, and I think if you will read the resolution into the record you may have a complete answer.

I don't know why the resolution is not being read. It is a short one. I think the importance of when the resolution was drawn is less impor-

tant, sir, than what it was intended to create and the purpose it was provided to serve.

Mr. KENNEDY. Do you say here that the charges Mr. Cross made against Mr. Sims were handed to Mr. Sims?

Mr. COOPER. I think they were either handed to him or mailed to him. He had them. I was present at a meeting at which the charges were discussed.

Mr. KENNEDY. You testified that they could be found in this hearing, did you not?

Mr. COOPER. I believe they will be found in the hearing. I think if my recollection can be refreshed, I have a mental image of the charges being handed to Sims. I have a mental recollection of the fact that Sims was then told by Cross that if he chose to waive the 20 days, as Cross and Stuart had done, that the hearing could proceed in the same fashion and that Sims, on the record, or perhaps in the minutes, perhaps not in the record, Sims himself was the one who said that he wanted the full 20 days.

Senator MUNDT. Mr. Cooper suggested that I look at the record and find out about the time. I was 7 minutes off. It was 2:07 a. m., that the hearing board adjourned. They immediately resumed as an executive board and President Cross took the chair.

Then he began and gave a little speech, as chairman again of the general executive board and president of the international union:

May I very humbly and very sincerely thank the board for what I consider a very great vote of confidence. I won't say too much. Most of you know how I feel.

The record would indicate that he has then brought to the attention of the executive board for the first time some charges against Mr. Sims. He says:

This brings up another serious problem. If, as I interpret this vote, it is a vindication for me against the charges made, it is then also a vote of no confidence in Secretary Sims.

You have heard all the evidence in a hearing body. I think the world, if they could know, and our members would be proud of the deliberations and the method in which you have handled yourselves in such a serious manner.

He says:

I can't make a long speech. I don't think it is proper—and then like any Senator would do, he made a long speech. In the procedure, he came over and continued because he says:

Now, I believe, and sincerely, that the board must take choice between Curtis Sims as secretary and myself.

This is still news to the board.

Because how can I sit daily with a man who has leveled these charges at me in the public press? I want to say now publicly to you, had this man leveled these charges against me in the privacy of our constituted body, and this board kicked them around and there was censoring to be done and this board felt that there should be, and if at that time the board felt that I was guilty or not guilty, I would have quietly given my resignation and gotten out—

and so on.

He continues with his long speech. So he says:

You are faced with another serious problem tonight and we have to have a session tomorrow.

He was suggesting tomorrow. Then he says:

In the meantime, I see Brother Gamble raising his hand for the floor. This might be a good opportunity. Brother Gamble.

Brother Gamble had been tipped off that this was going to happen, so he said:

Come on, pal, this is a good opportunity.

Gamble responded by reaching into his pocket and bringing out this resolution which was prepared some 48 hours before and he read the resolution.

We know what happened from there. De Concini objected but he was persuaded that it was proper and they voted unanimously. Out went Sims.

Mr. COOPER. Senator, I think you will agree that this procedure is not unusual in any political body, that this is not unusual in any fraternal organization, labor organization, or corporate affairs, that this is the commonplace kind of garden variety procedure, that is here—

Senator MUNDT. I might point out that Mr. Sims was probably sleeping some place in bed at that time and had no conceivable way of knowing that this was going to come up because even the board members did not know.

Mr. COOPER. He was neither foreclosed from being there nor was he foreclosed the next day from appearing and personally protesting. Certainly, the four adherents that he had on the board had the same opportunity.

Senator MUNDT. Except, as Mr. De Concini pointed out, there had been no notice of an executive board. This was a hearing board. He had a right to conclude that when the hearing board brought in their verdict at 2 o'clock in the morning, there would be no further meeting. He had not been advised that there would be a meeting.

Mr. COOPER. Of course, what you had there was 19 out of 20 members of the executive board, including the 4 adherents of Mr. Sims, so this was not a rump meeting.

Senator MUNDT. The reason you had them there, the same 19 members who were sitting at the hearing board with the exception of Mr. Cross, was you were planning to bring in this resolution unbeknown to Mr. Sims.

Mr. COOPER. And had Mr. Sims utilized the same advantage and suffered the same discomforts as the rest of the board, he could have been there at the same time.

The CHAIRMAN. Senator McNamara?

Senator McNAMARA. Perhaps at the expense of being slightly repetitious, I would like to ask a couple of questions. How is the executive board selected or elected?

Mr. COOPER. The general executive board is selected—this board was elected at the convention. The previous general executive boards, the one that acted on this March situation, had been selected by referendum vote under the constitution, with a number of exceptions of those who had replaced other members of the general executive board and who had, under the constitution, been selected by a majority of the board.

Senator McNAMARA. How do the hearings work?

Mr. COOPER. The hearing board came into being pursuant to a code of procedure for trial, which the general executive board adopted after considerable discussion and preparation.

This code reflected every facet of due process.

Senator McNAMARA. How did the hearing board come into being? Was it elected?

Mr. COOPER. The hearing board, under the code of procedure, where an international officer is involved, was composed of the whole executive board, with the exception of the parties in interest.

Senator McNAMARA. Who decided that this would be the hearing board?

Mr. COOPER. This was decided in accordance with the code of procedure, which the general executive board had adopted on a majority vote.

Senator McNAMARA. Then, the general executive board had the authority to decide who would constitute the hearing board, and they decided that their own body would constitute that?

Mr. COOPER. As the highest body of the international union, between conventions.

Senator McNAMARA. The only thing that appears to me on the face of it to be a little bit strange, is that now there is no body to appeal to beyond that. If there were another board, then the executive board would be a higher body. So the higher body, acting as the hearing board, precluded what would normally be another set.

Mr. COOPER. This was due, Senator, to the fact that the general executive board was now hearing charges brought by the second highest officer against the president.

I might correct something I said on the record. This general executive board which acted as a hearing board was elected in the October 1956 convention by unanimous vote of the delegates assembled and I think there were just two additions made to that board since the convention.

One was Vice President Conway and the other was Vice President Alvino. Otherwise, the whole board had been elected unanimously by the convention.

Senator McNAMARA. You made something of a resolution that you thought would be to your advantage to put into the record. Do you have a copy of it in the room?

Mr. COOPER. I have given it to the Senator—to Mr. Kopecky. I am certain that that resolution is before the counsel of your committee and might, with all propriety, be read into the record because there has been a great deal of discussion about it.

But the resolution itself has not appeared on the record yet.

Senator McNAMARA. I will ask the general counsel if he has the resolution. I suggest that it be given to the witness and let him read it into the record, since he has made the request.

Mr. KENNEDY. We have two resolutions, one by Cross and one by Gamble.

Senator ERVIN. Which one are you referring to?

Mr. COOPER. I don't know of two resolutions. I only know of one.

Mr. KENNEDY. You drew up or had drawn both of them or just one of them?

Mr. COOPER. I think the one you are talking about, Cross—you are talking of the charges against Cross by Sims, and the one of Gamble is the one to which reference has been made here.

Mr. KENNEDY. Which one did you want?

Mr. COOPER. The one from vice president Gamble. I am talking, Mr. Kennedy, about the suspension resolution.

Senator McNAMARA. Is it in the record?

Mr. KENNEDY. Senator, it is in this hearing record. It is on pages 241-245 and then—I understand you drew up both of these.

Mr. COOPER. I don't know what other one you are referring to. If you will particularize, I will identify.

Mr. KENNEDY (reading) :

I hereby charge that Curtis R. Sims, secretary-treasurer, has violated sections 2, 3, 4, 5, and 6 and 18 of article XX.

Mr. COOPER. I assisted in the drafting of that resolution.

Mr. KENNEDY. Then you have here, vice president Gamble, signed by James Cross, and written May 6 which, as Senator Ervin pointed out, was 2 days before the result. Then we have the other one by vice president Gamble, where they present four resolutions, and copies are available, according to this record, for distribution.

Senator McNAMARA. You need nothing further. It is already in the record.

The CHAIRMAN. This is their hearing record?

Senator McNAMARA. Does the Chair object to putting them into the record?

The CHAIRMAN. I have no objection. The question is that they will have to be extracted from this.

Mr. COOPER. It can be read from that, if I am permitted to do so.

The CHAIRMAN. Do you want this read into this record?

Senator McNAMARA. Since the witness made the request that it be put into the record, I think we ought to comply.

Mr. KENNEDY. Do you want both of them in, then, so that we cover the whole thing?

Senator McNAMARA. There is no objection on my part.

The CHAIRMAN. The witness may read both of these, which he says he helped prepare into the record. Read the transcript one first, and then read the one dated March 6, 1957, with the notation of charges—"I hereby charge that Curtis R. Sims."

Read the one in the record first, from the transcript of the board hearings and read this March 6th one following.

Mr. KENNEDY. Was Curtis Sims a client of yours?

Mr. COOPER. I don't know what you mean by "client."

Mr. KENNEDY. Was Mr. Cross a client?

Mr. COOPER. The union was my client and, necessarily, I provided legal services to the officers in connection with the internal and external affairs of the union.

Mr. KENNEDY. Would you consider them clients?

Mr. COOPER. I would consider that they were derivative clients because they did not pay me a fee, but the union paid me a fee.

Mr. KENNEDY. You were drawing up charges against a derivative client?

Mr. COOPER. I would have been happy to draw the answers to those charges if Mr. Sims had wanted me to.

Mr. KENNEDY. You can go either way?

Mr. COOPER. I am a lawyer, and I serve my client in accordance with the needs of the client.

The CHAIRMAN. Proceed and read that into the record. I want to move along. Proceed.

(Senator Mundt withdrew from the hearing room.)

Mr. COOPER. I am reading now from page 242 of a transcript, a verbatim transcript of a special session of the general executive board held in Washington, D. C., March 6, 7, and 8, 1957:

Whereas the general executive board of the international union has received from International President Cross charges of alleged misconduct against International Secretary-Treasurer Sims as a member of the international union, and in his capacity as international secretary-treasurer, which charges, if upheld, after hearing, are of such magnitude and seriousness to jeopardize the interest of the international union and may result in the removal from office of International Secretary-Treasurer Sims and his expulsion as a member of the international union; and

Whereas the general executive board upon receipt of such charges has designated March 27, 1957, as the hearing date thereon, to be held at its regular semi-annual meeting in the city of Miami Beach, State of Florida; and

Whereas it would be in the best interests of said International Secretary-Treasurer Sims to afford him full and ample opportunity to prepare and meet such charges without the burden of fulfilling his ordinary duties and concurrently; and

Whereas the best interests of the international union would be served in the orderly administration of its affairs by relieving International Secretary-Treasurer Sims of all of his official duties during said interim period, and until the general executive board has concluded its hearing and made determination on the charges filed, particularly in view of the nature of the charges and the high and important office occupied by him, with its requirement of detailed execution and fulfillment of the international union as determined by the international constitution, the convention, and the general executive board; and

Whereas the failure to relieve International Secretary-Treasurer Sims of his duties by such interim suspension would be imprudent and incautions in view of the acts of alleged misconduct charged against him, in that the general executive board is obligated as the custodian of the interests of the international union and the supreme governing body thereof between conventions to avoid any of the inherent and potential risks entailed in permitting International Secretary-Treasurer Sims to continue the duties of his office during said period, which suspension, constitutional authority requires under these circumstances as contemplated by its enactment; and

Whereas the action hereinafter resolved shall not be conclusive as a preliminary or conditional finding of guilt on the charges as alleged by International President Cross, but as required by the circumstances and without prejudice to said international secretary-treasurer, it being also provided that should the general executive board reject the charges of alleged misconduct as not sustained by the evidence, the suspension of office hereinafter provided shall be lifted upon such finding, and International Secretary-Treasurer Sims shall thereupon resume his duties as heretofore: Now, therefore, be it

Resolved by the general executive board in special session convened in Washington at the Sheraton Park Hotel on the 8th day of March 1957:

One: International Secretary-Treasurer Sims is herewith temporarily suspended from office pending the determination by the general executive board of the charges of alleged misconduct made against him by International President Cross pursuant to article XX, section 2 (D) of the international constitution.

Two: International Secretary-Treasurer Sims is directed forthwith to deliver all the indicia of authority attached to his office as international secretary-treasurer to a designee of the general executive board from among its members who shall serve in all respects as acting international secretary-treasurer for the period stated.

Three: International Secretary-Treasurer Sims shall forthwith vacate his office and cease to exercise any authority attached thereto for the stated period, as presently provided by the international constitution, including but not limited to preparing and signing of vouchers and checks issued thereon by the international union and shall execute appropriate documents upon report giving effect to the within resolution.

Four: International Secretary-Treasurer Sims shall, for the stated period, cease to hold himself out as the international secretary-treasurer except with the qualifying notice of his suspension by the general executive board and shall remain physically absent from the premises of the international union during the period of his suspension.

Five: International Secretary-Treasurer Sims shall, for the period of his suspension, continue to receive his present salary as provided by action of the general executive board on condition that he comply with the within resolution and all other actions taken by the general executive board.

The CHAIRMAN. May I ask one question there? After the resolution, did Mr. Sims have any right to appear in that building?

Mr. COOPER. I did not, sir, and may I state why?

The CHAIRMAN. No. I just asked that question. I just want to get the effect of this suspension.

Did the suspension bar him?

Mr. COOPER. Yes.

The CHAIRMAN. That is, would that provision in it?

Mr. COOPER. Yes. I would be pleased to tell you why.

The CHAIRMAN. I thought the suspension was why.

Mr. COOPER. Because it appeared that not only had Secretary-Treasurer Sims withdrawn in his own possession official records, vouchers, documents—

The CHAIRMAN. Was that charge made in there?

Mr. COOPER. No. This is developed as a condition, and this is a concern which the board had at that time.

The CHAIRMAN. Is that referred to in the resolution?

Mr. COOPER. No.

The CHAIRMAN. That is not referred to in the resolution?

Mr. COOPER. No; but may I—

The CHAIRMAN. That is one of the reasons for keeping him off the premises; is that right?

Mr. COOPER. Sir?

No; it was not in the resolution.

The CHAIRMAN. It was not in the resolution, although it was known at the time you prepared the resolution?

Mr. COOPER. Of course.

The CHAIRMAN. You did not state it in the resolution as one of the reasons for barring him from the premises?

Mr. COOPER. No. The board knew the fact that he had already withdrawn considerable documentation and records from the international union.

The CHAIRMAN. Let me ask you another question.

Would barring him from the premises also operate to keep him from getting access to records and documents he had there that he might need to make proof?

Mr. COOPER. He had already taken all such documents and made no requests, Senator.

The CHAIRMAN. Wait a minute. You are making a pretty broad statement under oath, that he had already taken all documents.

Mr. COOPER. I am sorry. I should qualify that.

The CHAIRMAN. I think so.

Would the same resolution there adopted preclude him from getting any documents there that he might need in his defense?

Mr. COOPER. In the event that a request was made and the documents were properly his to have, I assume that this resolution would not preclude him.

The CHAIRMAN. Would not any official documents, any document in the files there that sustained his charges, be a proper document for him to have to present at a hearing?

Mr. COOPER. Of course. Senator, may I finish that? He wrote a letter or made a request through his attorney, Henry Kaiser, for a number of personal things that he had in his own office, and those letters and correspondence and files which he requested were turned over to him.

That was the only request that he made, and that request was complied with.

The CHAIRMAN. Did you provide him with a copy of these hearings when he requested them?

Mr. COOPER. May I explain that, sir?

The CHAIRMAN. Answer "Yes" or "No," and then you may explain it.

Mr. COOPER. He was provided with a copy of these hearings, yes.

The CHAIRMAN. When?

Mr. COOPER. He was provided with a copy of the hearings when they became duplicated and available for him and other members of the board.

The CHAIRMAN. How long after?

Mr. COOPER. Sir?

The CHAIRMAN. How long afterwards?

Mr. COOPER. Not long after, sir. When he got back to Washington.

The CHAIRMAN. You are pretty accurate about most things. I think you can be accurate about that.

Mr. COOPER. May I tell the facts?

The CHAIRMAN. You may tell the facts. I asked you how long afterwards.

Mr. COOPER. I don't have the exact date, but I will be glad to tell you what happened.

The CHAIRMAN. I want to know when he got a copy of the record.

Mr. COOPER. I don't have the exact date.

The CHAIRMAN. Can you get that for me?

Mr. COOPER. I am certain that it can be obtained.

The CHAIRMAN. Get it for us. That is what I want to know.

Mr. COOPER. May I be permitted the privilege of explaining, so that the date does not appear out of context?

The CHAIRMAN. Proceed.

I have given you every opportunity, I think, I do not want you to complain, but I am trying to proceed here, and expedite this. I do not want to expedite it at the expense of any injustice or deny anyone any proper right.

Go ahead and explain it.

Mr. COOPER. Senator, you have been most gracious and I appreciate it. At the time when the hearing was held on March 6, 7, and 8, we had no advance knowledge that this matter would ultimately be heard by this committee, or that ultimately this matter would go to the AFL-CIO ethical practices committee.

The CHAIRMAN. Are you implying by that that if you had such knowledge you would have gotten it to him quicker?

Mr. COOPER. I am implying by that, Senator, that we would have ordered more than four copies. His coming to these committees was not a factor in the hearing.

The chairman of the committee, of the trial committee, the hearing board, was Vice President Conway. Vice President Conway ordered 4 copies of the transcript, 1 for himself, another for Sims, 1 for Stuart, and 1 for Cross.

By the time the four copies were to be delivered to the international headquarters, Vice President Conway was in California. The copies were, therefore, accepted by my assistant attached to the international union, John Long. Those copies were then made available, in due course, to this committee, the first copy, and another copy just about that time went to the ethical practices committee, and there were 2, each 1 of which went to Cross and to Stuart as the 2 accused, and, therefore, having a prior claim on those copies.

It was only then that we realized the need for more copies and we ordered them duplicated. When we returned from Florida, and I think it was probably the end of March or the early part of April, we had the duplicated copies. I think it was probably a week or so after we got back that the copies were widely distributed, including copies to Sims and to Mr. Conway.

I might add that the burden of the charges as they were made were based on so-called documents which Sims put in the record. He had the facts at the time, and the delay in his getting the copy did not appear to be a handicap sufficient to disqualify the board from proceeding with its hearing.

The CHAIRMAN. Have you answered, now, all that you want to answer about it?

Mr. COOPER. Sir?

The CHAIRMAN. Is your answer complete now?

Mr. COOPER. I believe it is.

The CHAIRMAN. You still have not given us any indication of the time.

Mr. COOPER. I say—

The CHAIRMAN. When you get that, all I want—

Mr. COOPER. I think he got it a week or so after we came back from Florida.

The CHAIRMAN. I do not know a week or so after you came back from somewhere.

Mr. COOPER. My recollection is that it was probably the first on the beginning of the second week in April. That was about it.

The CHAIRMAN. It was after the trial that you had?

Mr. COOPER. Yes.

The CHAIRMAN. Did he not have it available for him at that time?

Mr. COOPER. In preparation? No.

But it was present at the hearing. He could have observed it and read it and done what he liked with it.

Senator McNAMARA. It would seem to me that it was a rather unusual practice not to furnish this man with a copy of the resolution. I do not accept as reasonable procedure that you had to wait until the entire transcript was published.

Mr. COOPER. Senator, I am glad you asked that, because we did give him a copy of the resolution of suspension. It was sent to him, and he received it promptly.

Senator McNAMARA. What do you mean by promptly? Within 24 hours?

Mr. COOPER. I think it was mailed to him by registered mail immediately; the next day. He got the resolution of suspension. He had immediate notice of it.

Senator McNAMARA. He did not have to wait?

Mr. COOPER. No.

What Senator McClellan is referring to, I believe, is the transcript of the hearings of the charges of Sims against Cross and Stuart.

Senator McNAMARA. I think he is referring to everything involved. I think the important thing at this point, since we are discussing the resolution, is whether or not a copy was promptly made available.

Mr. COOPER. It was certainly made available to him at once.

The CHAIRMAN. Are there any other questions?

All right, read the other resolution.

Mr. COOPER. This is not a resolution, sir. This constitutes charges brought by Cross against Sims. It bears the date March 6, 1957.

I hereby charge that Curtis R. Sims, international secretary-treasurer has violated subsections 2, 3, 4, 6, and 18, of article 20, subsection 6, article 17 subsection 4, and article 20 subsection 7, of the international constitution in the following manner:

1. International Secretary-Treasurer Sims violated his membership oath and obligation as the second highest ranking officer by failing to maintain the dignity and good name of the international union and to preserve the secrecy of the inner proceedings thereof by revealing to the public press for wide national dissemination the contents and nature of charges preferred by him against International President Cross and Vice President Stuart of gross misconduct, moral turpitude, and other acts, which, if true, would have disqualified them from continuing to hold high office and constitute actionable crimes, in advance of such charges having been received by them or by members of the general executive board and subordinate local unions, to whom such charges were mailed and circulated without authority by said International Secretary-Treasurer Sims in an effort to discredit and destroy International President Cross and Vice President Stuart for his own personal purposes.

2. International Secretary-Treasurer Sims thereby caused International President Cross and Vice President Stuart to be subjected to unfavorable and damaging public notice on mere allegations of misconduct, in a public climate particularly hostile to labor leaders charged with dishonesty and reflecting upon the reputation and integrity of the international union itself, in advance of any opportunity afforded to them to meet and answer said charges before the general executive board as to the constitutional authority empowered to consider and act upon such charges.

3. International Secretary-Treasurer Sims caused the international union to be injured by the unwarranted allegations in its outstanding public reputation and effectiveness and representative of 180,000 bakery workers by the public disclosure in advance of hearing and determination by the general executive board of said charges in violation of his duties, obligations and fealty and violation of sound trade union principles.

4. International Secretary-Treasurer Sims preferred said charges against International President Cross and Vice President Stuart in bad faith and did cause the international union unwarranted and unnecessary expense by requiring convening of a special general executive board meeting on March 6, 1957, to act upon said charges, notwithstanding the regularly scheduled meeting fixed for March 20, 1957.

By reason of the foregoing, the undersigned requests that article 20 of the international constitution be invoked, and that the fitness of International Secretary-Treasurer Sims to continue in office and retain his membership in the international union be determined by the general executive board accordingly.

(At this point, Senator McNamara withdrew from the hearing room.)

The CHAIRMAN. You were asked earlier, Mr. Cooper, whether you had committed the same offense by giving out, at an occasion prior to that, giving out to Mr. Joe Loftus, of the New York Times, similar charges as Mr. Cross had brought against Mr. Kane and others. At that time you were interrogated about it, and you said you could not be sure, or you did not think you did. I want you to reflect, because I think if that was such an offense, and Mr. Sims swore there that he did not give it to the press, but apparently from information I have you and Mr. Cross deliberately gave the press the charges you preferred against Mr. Kane and others regarding the incident out in San Francisco before the charges were received by them, I want to ask you to state under oath whether you did or did not.

Mr. COOPER. I must repeat, Senator, that I do not recall specifically whether or not I did so. I say again it may be that I did.

May I also add this, so that the answer—

The CHAIRMAN. If you did, then you violated it.

Mr. COOPER. I did not, sir.

The CHAIRMAN. What is the difference?

Mr. COOPER. There is a great difference.

The CHAIRMAN. What is it?

Mr. COOPER. In the first place, the nature of the charges involving the four gentlemen in New York was entirely different. The processing was different. It was a matter of public knowledge at the convention. It was a matter of public knowledge so far as the action of the general executive board was concerned. It was a matter of general knowledge that the general executive board had designated an investigatory committee to frame charges, if warranted, against these four individuals.

This was not a matter which anyone knew about except Mr. Sims. This was not a matter which had not been in all the press all over the country. This was not a matter which reflected the inner proceedings of the organization to the degree that this did. Everybody knew from the headlines in the newspapers about this fracas in San Francisco and involvement of the individuals involved.

The CHAIRMAN. If you did it, was your action improper?

Mr. COOPER. If I personally did it?

The CHAIRMAN. If you advised or counseled them in doing it, or were present when it was done.

Mr. COOPER. I do not consider that my actions were improper if I did it.

The CHAIRMAN. Would Mr. Cross' actions be improper if he did it?

Mr. COOPER. I do not consider that his actions in this context would have been improper?

The CHAIRMAN. It was perfectly all right?

Mr. COOPER. I believe so.

The CHAIRMAN. Did you do it?

Mr. COOPER. I say again, sir, and I must under oath say that I do not actually recall specifically whether I did so. Mr. Loftus may have a better recollection. If he chooses to tell you, I will be bound by his answer.

The CHAIRMAN. That is about the only thing you have forgotten.

Go ahead, Senator Curtis.

Senator CURTIS. The essence of the charges against Sims was that he publicly accused Cross and Stuart of misconduct?

Mr. COOPER. No; I think that that was the effect of his not proceeding under the constitution and in accordance with his obligations.

The result of his not proceeding was to make a public disclosure in advance of the hearing.

Senator CURTIS. Regardless of what the cause was, that is what he is charged with, is it not?

Mr. COOPER. He is charged with the ultimate act of avoiding his constitutional obligations and making a public disclosure without proceeding through the constitution.

Senator CURTIS. There is nowhere in here, as I follow it very carefully, where he is charged with making an untrue accusation.

Mr. COOPER. I would submit, sir, that when we used the word "unwarranted" I think you will find that word——

Senator CURTIS. I think there is a vast difference between "unwarranted" and "untrue."

Mr. COOPER. There may be a difference without a distinction in my mind, sir.

Senator CURTIS. I think there is a distinction, too. He is charged in this statement of making an accusation against two officers of misconduct, but he is not charged with falsely doing it.

Mr. COOPER. If I may look at the resolution so that I can have it before me, I will be able to answer you more specifically.

(Document handed to witness.)

Senator ERVIN. You will pardon an observation. I think he is charged with exercising his rights to freedom of speech under the Constitution of the United States.

The first three specifications clearly charge him with exercising his rights of freedom of speech under the Constitution of the United States, and undoubtedly under the constitution of the State in which he was speaking.

Senator CURTIS. The deliberations of this committee may tend to show that those charges were true. I do not know.

But he was not charged with making any false accusations. He was charged with making an accusation.

Mr. COOPER. Senator, of course, this is all preliminary to, I assume, some ultimate judicial test as to whether or not the union acted correctly with respect to its act of suspension and finding of guilty. But since the union chooses to go into these matters in advance, I am required to discuss it in this context. I think if you will look at item 1 of the charges, you will see there that, about the middle of it, it says "and other acts which, if true, would have disqualified them."

I submit, sir, this appears right in the first item.

There are some others.

Senator CURTIS. But nowhere in there is he charged with falsely making an accusation.

Mr. COOPER. I now refer you, sir, to 3, and there it refers to the unwarranted allegations.

Senator CURTIS. Unwarranted is not synonymous with untrue or false.

Mr. COOPER. Obviously, I am at a disadvantage in arguing with you as to whether, when I put the word "unwarranted" in, and when I used the phrase "charges which, if true, constituted an actionable crime," whether those constituted by the same token a denial of the

truth of the charges. I can only tell you as having been credited here with having drafted the instrument in large measure that this was intended to reflect the position of Mr. Cross that the charges, as made, were not true.

Senator CURTIS. I think it is intended to reflect if anybody else chooses to publicly expose wrongdoing, they are going to get the works.

Mr. COOPER. That is an assumption, again, which I cannot, of course, debate with you, sir.

Senator CURTIS. Well, that is what happened.

Mr. COOPER. Again I must refrain from any comment on my part.

Mr. KENNEDY. You discussed, Mr. Cooper, the charges against Joe Kane and the others. Were they publicly known as charges?

Mr. COOPER. I think the charges were well known, because, at the convention, President Cross made a statement that he would hold them answerable for their conduct in falsely accusing him of having participated in the San Francisco fracas.

It was said several times at the convention. The delegates were, therefore, advised that this was contemplated if the general executive board ultimately decided to make the charges. What you must also appreciate is that the charges against these 4 were not brought by President Cross. The charges by these 4 were signed by 3 members of the general executive board.

Mr. KENNEDY. You say the charges were first made by Mr. Cross in San Francisco?

Mr. COOPER. He did not make any charges. He made a public statement then, that in view of his vindication by the grand jury in San Francisco, that those who put the union in the position by falsely charging him as they had, he said, would be answerable.

Mr. KENNEDY. Had the charges been made public or not?

Mr. COOPER. You have to agree with me for me to answer correctly what you mean by these charges being made public and whether or not there is a parallel between these charges and the charges which erupted from the action of Secretary-Treasurer Sims by his public disclosure.

Mr. KENNEDY. This matter of which Joseph Kane and the others were charged in December, had that been made public?

The CHAIRMAN. That is the formal charge, the formal charge that you prepared, was it made public or released to the press before it was sent to the men who were charged?

Mr. COOPER. I must rely on my recollection. It is that the charges were sent out of Washington—I don't think I was here then—and that they appeared at about the time, and possibly after—again, this is a matter of record—the charges were mailed and received by the four individuals involved.

Mr. KENNEDY. They appeared on December 5 in the New York Times. Did you have any conversations with Mr. Joe Loftus about this matter at all?

Mr. COOPER. I have had many conversations with Mr. Joe Loftus. He is a friend. He is a gentleman whom I respect.

Mr. KENNEDY. Did you have any conversations about these charges?

Mr. COOPER. I do not specifically recall it. I wish he would be called on to disclose what his recollection is about this. I do not have a specific recollection.

It would appear to me, sir, since you prod my recollection so sharply, that it is not likely that I did, because my recollection is that about that time I was in New York and he was in Washington here.

Mr. KENNEDY. Would you think it was improper if these formal charges appeared in the press?

Mr. COOPER. No; because these charges had a different character entirely. They did not relate to the internal affairs of the union, sir. These four individuals were not charged with making disclosures of records, of making charges of dishonesty which related to the conduct of office.

These charges were made against four individuals for reprehensible conduct that the board considered appropriate for charges conducted outside the union.

The CHAIRMAN. Let me ask you one question. I do not know just what you mean by internal affairs of the union, but if the president of the international union, along with the vice president goes to the room of a man in a hotel, early in the morning, and carries a gun, which they put in his back, and intimidates him with other people as to how they should vote in a coming election, is that internal or external?

Mr. COOPER. Your assumption is different from the grand jury, which had all the evidence before it.

The CHAIRMAN. I do not know that it is. We have the grand jury report. They said a crime was committed, but it was a misdemeanor.

Mr. COOPER. First of all, they did not indicate that these four individuals committed any crime. Second, they said that the case was rampant with perjury.

The CHAIRMAN. I am asking you if it is a fact that if the president of the international union, and the vice president, together with others, go to a member's room, a delegate's room in the early morning hours, put a gun in his back, marches him over to another hotel, and have an encounter there, beats up somebody, or strikes them, is that an internal or an external affair of the union, where it is being done for the purpose of intimidating those delegates?

Mr. COOPER. Senator, your question has many assumptions.

The CHAIRMAN. It just has one, that those things occurred. There has been testimony here that they did occur, so it is not exactly an assumption.

Mr. COOPER. It is an assumption which is not borne out by the evidence which was heard by the duly constituted body.

The CHAIRMAN. I am not asking you that. I asked if it is true, is that an internal or external affair of the union. I am trying to find out what is an internal affair and what is an external affair.

Mr. COOPER. It might be internal to the extent that the effect of it, if committed, constituted undue pressure on delegates in the exercise of their free democratic right, but by the same token——

The CHAIRMAN. Would that not be internal affairs when they are trying to elect officers, and an intimidation of that fashion takes place? That is not an external affair. It seems to me like it is right in the union, and you cannot get it out.

Mr. COOPER. Except, sir, that this was public knowledge——

The CHAIRMAN. I do not care about the knowledge. That has nothing to do with it, whether it is inside or out.

Mr. COOPER. Therefore, because it was public knowledge, the disclosure did not constitute an improper act.

The CHAIRMAN. You are not answering my question.

Mr. COOPER. I may not be answering it, sir, as you would like me to, but I am answering it to the best of my ability.

The CHAIRMAN. You are not trying to answer it.

Mr. COOPER. That, sir, is something I must differ with you about.

The CHAIRMAN. You are not trying to answer the question as to whether it is an internal affair or an external affair. The fact that it had publicity has nothing to do with the nature of it. That would not change the nature of it, the fact that it had publicity.

Mr. COOPER. I draw a distinction between unknown and unrevealed internal affairs, and something which is a matter of national——

The CHAIRMAN. You are qualifying it. I asked you if that was an internal affair.

Mr. COOPER. Only if the impact of it was——

The CHAIRMAN. In other words, if it becomes public, it is not an internal affair.

Mr. COOPER. Had it become public to this degree, it would not have been an internal affair.

The CHAIRMAN. Are there any other questions?

If not, the witness will stand aside.

The committee will be in recess until 2 o'clock.

(Whereupon, at 12:30 p. m., the committee recessed, to reconvene at 2 p. m., the same day.)

(Members present at the taking of the recess: Senators McClellan, Ervin, and Curtis.)

AFTERNOON SESSION

The CHAIRMAN. The hearing will come to order.

(Members of the select committee present at the convening of the session were Senators McClellan and Goldwater.)

The CHAIRMAN. Call your next witness.

Mr. KENNEDY. Mr. James Cross.

TESTIMONY OF JAMES G. CROSS, ACCOMPANIED BY HIS COUNSEL, ABRAHAM J. HARRIS—Resumed

The CHAIRMAN. Mr. Cross, I believe you were sworn yesterday?

Mr. CROSS. Yes, sir.

The CHAIRMAN. You will remain under the same oath and the same counsel appears for you. Let the record so show, Mr. Reporter.

All right, Mr. Kennedy, you may proceed.

Mr. KENNEDY. I think Mr. Cross has a statement that he wishes to read.

The CHAIRMAN. Do you have a statement?

Mr. CROSS. Yes, sir.

The CHAIRMAN. Has it been submitted?

Mr. KENNEDY. It has, Mr. Chairman.

The CHAIRMAN. The Chair has not seen the statement, but the chief counsel advises that it was submitted within the rules and he has examined it and you may, therefore, read it, Mr. Cross.

Do you have extra copies of it?

Mr. Cross. Yes; and Mr. Chairman, I would also, with your permission, like to submit to the committee copies of our constitution and also the general executive board's report of its 5 years of stewardship to its last convention, for the committee's information.

The CHAIRMAN. Those things may be submitted for examination at present, and I assume we already have a copy of the constitution.

Mr. KENNEDY. I believe we do, but we are glad to have more.

The CHAIRMAN. We are glad to have your copy and also copies of the other documents to which you referred. I accept them for examination at present and I do not know whether any part of them should be printed in the record. We do not want to encumber the record with a lot of unnecessary material.

But if we find there is anything that is appropriate for the record, in the course of the proceedings, we will admit it.

Mr. Cross. Statement to the Senate Select Committee on Improper Practices in the Labor and Management Field:

I respectfully offer these summary and impersonal facts about our union as essential to an evaluation of derogatory material that might otherwise prove misleading.

The Bakery and Confectionery Workers' International Union of America has a membership of about 160,000, in some 320 local unions located in the United States and Canada. We are governed by a constitution which provides democratic rules and regulations.

Elected officials have limited authority, and due process is assured to local unions and individual members in enforcement of constitutional obligations.

Local union autonomy is carefully preserved against intervention by the international union except in rare cases and as required in the demonstrated interest of the local or general membership. This is shown by the voluntary character of local union mergers and the extremely low ratio of trusteeships.

Since I became international president in January 1953, no more than three of such local unions have been in trusteeship at any one time, several inherited from my predecessor. At present only two such situations exist.

At our most recent convention, in October 1956, many constitutional changes were adopted after considerable free and open debate by the delegate representatives of the local union memberships. The present international officers were there unanimously reelected. The conduct of this convention and all of its sessions were observed by Nelson Cruikshank as a representative of George Meany, president of the AFL-CIO, and his report confirmed the democratic processes by which questions were considered and decisions reached.

The international union and its various activities are financed by per capita tax payments forwarded by each local union from membership dues. The finances of the international union are audited by Scovell, Wellington & Co., nationally recognized certified public accountants.

Financial reports are periodically prepared and distributed to the local unions as well as to the membership by publication in the union's monthly magazine.

Between conventions the general executive board, composed of all international officers, is the governing body. Meetings are held at least semiannually, and more often as required. Between sessions, the board has the authority to act, by telegram, letter or long-distance telephone, on specific questions submitted for its consideration.

Like any other member or local officer, members of the general executive board may not be removed except for violations of the constitution and by application of the code of trial procedure, which provides all the elements of due process.

The international president has initial responsibility for the designation and assignment of international representatives and other nonelected employees of the international union. He is at all times subject to the decisions of the general executive board.

The secretary-treasurer is initially responsible for the financial affairs of the international union as well as for supervision of the financial conduct of local unions. He receives monthly duplicate pages of local union financial day books and is, therefore, obliged to report any apparent or real irregularity for further audit or investigation. This applies both to trustee and self-administered local unions.

Only since the October 1956 convention has the international president had the further specific powers to demand books and accounts for audit, or to investigate the financial affairs of local unions.

Collective-bargaining contracts cover several thousand employers, ranging from neighborhood handcraft bakeries to national multiplant companies, such as National Biscuit Co., Atlantic & Pacific Tea Co., American Bakers, Continental Baking Co., and General Baking Co.

Such bargaining is conducted through the local unions on the basis of either shop, company, product area or region. The present union administration has attempted to streamline bargaining to meet current industry structure. Consequently, regional bargaining with multiplant employers was recently instituted with voluntary participation of local unions.

The international union assists in the bargaining, which is conducted by local union representatives who, in turn, submit any proposed agreements to local union memberships for ratification or rejection.

The international union engages actively in organization in new plants. This is accomplished either by assisting local unions in the area or by direct solicitation. Workers so organized either become part of an existing local union with jurisdiction in the area or field, or join together and are chartered as an autonomous local union under the constitution.

Other activities of the international union involve the institution of national health, welfare and pension programs which are jointly administered by union and industry trustees. Participation by local unions and employers in these programs is voluntary.

The constructive aspects of the administration and operation of these plans have already been amply stated by communication dated April 5, 1957, to Senator McClellan from George Faunce, Jr., secretary of the board of trustees of the Bakery and Confectionery Workers Union and industry national pension and welfare funds.

The general executive board, at its March 1957 session, adopted in all respects the code of ethics previously established by the AFL-CIO. This action was supplemented by a questionnaire addressed to each international and local union officer and representative, inquiring as to individual compliance with these codes.

As international president, I am also prepared to sponsor adoption in all respects of recommendations by the AFL-CIO respecting financial auditing and recordkeeping for the international union as well as for local unions.

In addition, a survey is presently being conducted under the supervision of Prof. David Brown of George Washington University in an effort to improve procedures and practices of administration and operation of the international union to assure maximum utilization of funds and personnel.

As international president, I am likewise prepared to recommend to the general executive board adoption of stringent standards affecting disbursement of union funds by union representatives in all categories.

In summary, this union both on the international and local level is becoming an increasingly effective vehicle, through free collective bargaining, for improving the status, income and working conditions of its members.

Consistent with our primary object, the union has developed a cooperative working relationship with management representatives. We have abandoned the class war philosophy of the founders of our union, and have sought common ground in many areas for dealing with mutual problems of the industry in an atmosphere free of hostility and distrust.

As a result, it has not been required to devote union resources to avoidable strikes and unnecessary conflicts for gains achievable through discussion, exchange of views, and peaceful negotiation.

May I add, Mr. Chairman, that I was made acquainted with a news article this morning dealing with testimony yesterday in regards to the Zion industry. I certainly feel that this committee will give

me the full and free opportunity to put in its proper light the statements that appeared in that paper.

The CHAIRMAN. We will be very glad to do that. It is not our purpose to deny anyone who appeared before the committee, and especially one against whom derogatory testimony has already been received, the right to make any explanation that he thinks is called for and he can testify to under oath.

I was interested in 2 or 3 items here in your statement. I am not going to take time to interrogate you about all of them at the moment, but there is one that strikes me here. You say the general executive board at its March 1957 session adopted in all respects the code of ethics previously established by the AFL-CIO.

This action was supplemented by a questionnaire addressed to each international and local union officer and representative inquiring as to individual compliance with these codes.

I believe Mr. Stuart is a vice president of the international, is that correct?

Mr. CROSS. No, sir.

The CHAIRMAN. What is his position?

Mr. CROSS. He has resigned and he is no longer an officer of this international union.

The CHAIRMAN. When did he resign?

Mr. CROSS. He resigned on March 29, 1957.

The CHAIRMAN. Was that after he testified?

Mr. CROSS. Yes, sir. No, sir, I am sorry. It was before he testified here.

The CHAIRMAN. Before he took the fifth amendment?

Mr. CROSS. That is right.

The CHAIRMAN. I was not sure whether he was still in the union or not.

Mr. CROSS. He may still be a member, sir, but he is not an officer of an international or local union.

The CHAIRMAN. He has no official responsibility since that date?

Mr. CROSS. No, sir.

The CHAIRMAN. He is not being paid a salary as such?

Mr. CROSS. No, sir, he has returned all of his credit cards and all of the belongings to the international union.

The CHAIRMAN. Maybe we helped the union a little by this hearing at least.

Mr. CROSS. This, sir, if I may say, was prior to your hearing and prior to any hearing by Stuart. This was after our hearing on March 8.

The CHAIRMAN. In other words, your own union took charge of the situation and gave it attention?

Mr. CROSS. To the best of our ability, sir.

The CHAIRMAN. For that reason, I want to compliment your union. International unions and locals, if they will take the initiative in this cleanup, this committee would have far less work to do.

Mr. CROSS. I thank you, sir, and I feel that if Mr. Sims would have done this in the same procedure, we would have been able to do it without the attendant publicity.

The CHAIRMAN. I do not know about Mr. Sims. I am not arguing that at the moment. We have Mr. Cross before us now and we want to talk about some of your actions.

All right, Mr. Counsel.

Mr. KENNEDY. Just on that, you had a hearing, did you, for the charges against yourself and Mr. Stuart?

Mr. CROSS. I didn't get your question.

Mr. KENNEDY. You had a hearing, your executive board held a hearing on the charges that had been made against yourself and Mr. Stuart?

Mr. CROSS. You say did our board have?

Mr. KENNEDY. Yes.

Mr. CROSS. Yes, sir.

Mr. KENNEDY. Just in connection with your answers to Senator McClellan and about the fact that you cleaned up your own union, was it not true that the board met and cleared Mr. Stuart?

Mr. CROSS. Well, Mr. Kennedy, if I may, in the first place, I didn't respond to Senator McClellan's question by saying we had cleaned up our own union. I said that Mr. Stuart was no longer with us.

Now, he resigned, and there were no charges against him after he was found not guilty by a hearing board of this international union.

Mr. KENNEDY. So the hearing board found him not guilty, is that right?

Mr. CROSS. I wanted to make sure the record was clear.

The CHAIRMAN. Maybe I complimented the union too quickly.

Mr. CROSS. The assumption that I am going on, the facts—

The CHAIRMAN. I want on every occasion when a union takes the initiative to do this housecleaning job, I certainly want to compliment them. I want to encourage insofar as I can, in the position I occupy here, all unions to take the initiative in this thing, and proceed with the job that it has become apparent, needs to be done in many areas.

Mr. CROSS. Where there is wrongdoing, we will join with you.

The CHAIRMAN. All right.

Mr. KENNEDY. I notice from the statement that you take several paragraphs indicating your interest in having a close check on finances of the union. Have you also been interested in that?

Mr. CROSS. Certainly, sir.

Mr. KENNEDY. Have you followed that procedure yourself?

Mr. CROSS. Yes, sir.

Mr. KENNEDY. Are you familiar with the forms that unions must file with the Labor Department, in order to get the use of the NLRB?

Mr. CROSS. It is a broad statement to answer. I know of the form, but the auditors fill it out. I don't.

Mr. KENNEDY. It is from the Taft-Hartley Act, 9 (F), (G), and (H), I think.

Mr. CROSS. That is right.

Mr. KENNEDY. You sign it, do you not, when they are submitted?

Mr. CROSS. Yes, I think that I signed the accompanying letter which is prepared for me.

Mr. KENNEDY. And you attest to its accuracy?

Mr. CROSS. Yes, I think Mr. Kennedy, it is prepared by the Scovell & Wellington firm.

The CHAIRMAN. The Chair presents to you what purports to be a copy of a letter dated July 9, 1956, which appears to be a covering letter addressed to Mr. Russell Miller, election officer, an affidavit of

compliance, National Labor Relations Board, Office of the General Counsel, Washington, D. C.

This letter purports to be signed by you as president of the bakery and confectionery union, together with the forms, photostatic copy of the forms of statements that the letter refers to.

I ask you to examine them and state if you identify them as photostatic copies of the letter, and of the report that was transmitted with the letter. Do you identify those, Mr. Cross?

Mr. CROSS. Yes, they are signed by me as president.

The CHAIRMAN. Those appear to be photostatic copies of the original documents which you signed?

Mr. CROSS. Yes. These are signed by me and appear to be photostatic copies of a form filled out by the Scovell Wellington firm.

Mr. KENNEDY. That is for the year 1955, and you submitted it in July of 1956?

Mr. CROSS. The letter is dated July 9, 1956.

Mr. KENNEDY. And I believe it is for the year 1955. Would you look on the first page of that?

The CHAIRMAN. Are there reports for the year 1955?

Mr. CROSS. This says cash receipts and disbursements, for the year ended May 31, 1956.

Mr. KENNEDY. I think it is the fiscal year.

Mr. CROSS. We don't have a fiscal year 1955-56. We have it from May to May.

Mr. KENNEDY. From May 1955 to May 1956?

Mr. CROSS. Possibly, sir.

Mr. KENNEDY. Would you examine the first page there, where it has the salaries and allowances, I believe it is, of the officers? Does your name appear there?

Mr. CROSS. Yes, sir.

Mr. KENNEDY. What figure appears opposite it?

Mr. CROSS. \$17,500.

Mr. KENNEDY. What does it say? What is the description, and what information are you supposed to put there?

Mr. CROSS. It says the name, title, total compensation allowances for the year and how selected.

Mr. KENNEDY. Total compensation and allowances for the year?

Mr. CROSS. Total compensation and allowances for the year.

Mr. KENNEDY. Now, you have what figure there?

Mr. CROSS. \$17,500.

Mr. KENNEDY. Is that figure for your total compensation and allowances; is that figure accurate?

Mr. CROSS. Yes, sir.

Mr. KENNEDY. You never received anything more than \$18,000?

Mr. CROSS. I received \$17,500.

Mr. KENNEDY. You never received anything more than \$17,500 from the union?

Mr. CROSS. My actual expenses.

Mr. KENNEDY. Doesn't it say total compensation and allowances?

Mr. CROSS. Yes, but allowances and expenses, in my mind, are two different things.

Mr. KENNEDY. You do not feel that the Government wanted you to put down your expenses there?

Mr. CROSS. I don't know what the Government feels, sir.

Mr. KENNEDY. But you did not consider that you should give them your expenses?

Mr. CROSS. No; this has been filled out by auditors for me, and I signed it.

Mr. KENNEDY. Did you examine it yourself?

Mr. CROSS. It does not ask for expenses for anyone.

Mr. KENNEDY. It says total compensation, and did you think total compensation and allowances should include everything that you have received, your total compensations and allowances from the union? Did you not receive more money than just the \$17,500?

Mr. CROSS. In expenses.

Mr. KENNEDY. You do not think that that should have been included in there?

Mr. CROSS. I do not think it was asked for.

Mr. KENNEDY. You do not believe compensation and allowances include expenses?

Mr. CROSS. I would not interpret it that way, and evidently my auditors did not, either; I didn't prepare this, understand.

Mr. KENNEDY. You signed it.

Mr. CROSS. I signed it.

Mr. KENNEDY. And you attested to its accuracy?

Mr. CROSS. That is right.

Mr. KENNEDY. I am interested in this because I know you have been interested in making sure, and in assuring at least, according to your testimony, that you wanted to insure a tight financial control over the funds of the union.

I notice we received here a letter dated April 23, 1952, a letter addressed to Gilbert Mann, president, local No. 100, 8 North Ogden Avenue, Chicago, Ill., and it is signed by you, James G. Cross. Would you examine this letter?

The CHAIRMAN. The Chair presents to you what purports to be a photostatic copy of a letter from you to Mr. Gilbert Mann, president, 8 North Ogden Avenue, dated April 23, 1952, and asks you to examine it and see if you identify it.

The other document, the previous document just submitted to the witness, will be made exhibit No. 50. That is an exhibit for reference.

(The document referred to was marked "Exhibit No. 50" for reference and may be found in the files of the select committee.)

(At this point Senator Curtis entered the hearing room.)

Mr. KENNEDY. Do you recognize that letter, Mr. Cross?

Mr. CROSS. Well, sir, you have me at a disadvantage because it is over 5 years old and I cannot identify it because there is no signature to it. I do not either claim or disclaim it. It is so long ago, I wouldn't remember an individual letter.

Mr. KENNEDY. Well, the letter, I believe was obtained from the files. The letter was obtained from the files of the local union in Chicago.

Mr. CROSS. It doesn't have my signature on it.

Mr. KENNEDY. No, it does not.

Mr. CROSS. No.

Mr. KENNEDY. You do not recognize it?

Mr. CROSS. And it isn't on a letterhead of our international union.

Mr. KENNEDY. Tell me this: I will just quote from a paragraph here:

For each and every check that is issued, either an invoice or a voucher with detailed explanation should be approved by an officer.

All merchandise should be checked in order to verify receipt of quantities as ordered, and the person receiving it should sign their name on the invoice.

Is that a procedure that you would approve of, detailed vouchers should be submitted for expenses? If you cannot recognize the letter, is that a procedure or process that you approve of?

Mr. Cross. If our auditors would recommend this procedure, I would be happy to approve of it.

Mr. KENNEDY. Do you personally approve of having detailed vouchers or vouchers submitted for any expenses?

Mr. Cross. As far as possible.

Mr. KENNEDY. Now, you were evidently interested in that in 1952, and have you been interested in having that type of process followed since you have been international president of the bakers union?

Mr. Cross. Mr. Kennedy, I don't want to quarrel with you, but I say I have evidently been since 1952 and you are assuming this is my letter. We have no proof even this is my letter.

Mr. KENNEDY. You said this was a procedure that you approved of. Have you approved of it since you have been international president?

Mr. Cross. If it had ever been brought to my attention, I probably would have.

Mr. KENNEDY. I am not asking about this specific letter, but do you generally approve of the fact that vouchers should be submitted for expenses?

Mr. Cross. Wherever possible.

Mr. KENNEDY. And is that a procedure that you have followed yourself?

Mr. Cross. Wherever possible.

The CHAIRMAN. Let me see. The witness seems to be in doubt about the letter here. I think we can clear that up. You still have the files of the international union, do you, since 1952, the date of that letter?

Mr. Cross. Well, sir, I could not answer that offhand.

The CHAIRMAN. Have any of the records been destroyed, so far as you know?

Mr. Cross. It is quite possible. We moved our international headquarters from Chicago to Washington and I doubt very much if we would keep an ordinary correspondence—may I answer, sir—I doubt very much if we would keep the correspondence which is just general correspondence for years upon years.

This is over 5 years old and it is just a routine correspondence, without a signature. I don't know whether I would keep it or not. It would not be in my charge; it would be in charge of Curtis Sims.

The CHAIRMAN. That may be true. All I wanted to do was to ask if you would have your records searched and see if you find a copy of that letter in your files.

Mr. Cross. Certainly.

The CHAIRMAN. All right. That is all the Chair wanted and you will instruct someone to make that search, and report to the committee whether you have found that letter.

Mr. KENNEDY. As further identification, at this time, April 23, 1952, were you general secretary-treasurer of the union?

Mr. CROSS. Yes, sir.

Mr. KENNEDY. At least the printed name, J. G. Cross, general secretary-treasurer, appears at the end of the letter; does it not?

Mr. CROSS. It does appear, but it is not in stationery of the international union.

Mr. KENNEDY. Now, I would like to ask you about some of the expense vouchers that you have submitted. We will start back in September 26, 1955. Would you identify this for me, please?

The CHAIRMAN. The Chair presents to you what purports to be a voucher, a photostatic copy of a voucher for disbursement, dated September 26, 1955. Will you please examine—I present to you 2, 1 dated September 26, 1955, and the other dated October 10 or 11, 1955.

I will ask you to examine them and see if you recognize them as vouchers that you approved.

(Documents were handed to the witness.)

Mr. KENNEDY. That is your voucher; is it not?

Mr. CROSS. Yes, sir; they are my initials on both.

Mr. KENNEDY. That was for a trip to Portland, from October 3 and you went up there on October 3 and came back on October 6: is that right?

Mr. CROSS. No, sir; this states October 1 through the 5th.

Mr. KENNEDY. And your total expenses for that trip to Portland, Ore.—where did you come from to Portland, Ore.?

Mr. CROSS. I haven't the slightest idea.

Mr. KENNEDY. It is from Washington, D. C. It shows the date you left Washington. You left Washington on October 3 according to your ticket, at 1:30 p. m., and went via Denver to Portland, Ore., and you left Portland, Ore., on the 5th of October, for Los Angeles, and went to Los Angeles and came back to Washington, and you came back from Portland, Ore., to Washington, via Los Angeles.

The record shows that you spent \$962.53 on that trip. That was 2 days in Portland, Ore. Do you have any vouchers at all of how you spent that money, other than your plane ticket?

Mr. CROSS. It is you that is testifying to the plane ticket. I just said I didn't recall how I got to Portland and you have just said I was in Los Angeles and so it must have been in Portland, Los Angeles, and wherever I departed from and any stopovers. I certainly don't remember it.

Mr. KENNEDY. The ticket shows you left Washington, D. C., United Air Lines, flight 747, October 3, at 1:30; you went to Portland, Ore., and that you left Portland, Ore., on October 5 via Los Angeles and went to Los Angeles and then went on October 6 from Los Angeles to Washington, D. C.

Would you like to examine the ticket?

The CHAIRMAN. Did you identify those vouchers?

Mr. CROSS. I certainly did, sir.

The CHAIRMAN. They will be made exhibits Nos. 51 and 51-A.

(The documents referred to were marked "Exhibits Nos. 51 and 51-A" for reference and will be found in the appendix on pp. 3187-3189.)

The CHAIRMAN. Now, the Chair presents to you what purports to be a plane ticket, dated September 30, 1955, and asks you to examine it and see if you identify it.

(A document was handed to the witness.)

Mr. CROSS. What is the question, sir?

The CHAIRMAN. Have you examined it?

Mr. CROSS. Yes, sir.

The CHAIRMAN. Do you identify it?

Mr. CROSS. It says it is American Airlines ticket from Washington, D. C., to Denver, to Portland, to Los Angeles, to Washington.

Mr. KENNEDY. Does it have a name on it?

Mr. CROSS. It has a name which is not my signature.

Mr. KENNEDY. What is the name?

Mr. CROSS. James G. Cross.

Mr. KENNEDY. Did you go to Portland?

Mr. CROSS. I can't remember that far back.

Mr. KENNEDY. You will have a \$500 expense advance right at the beginning in connection with regional conference to be held in Portland, Oreg., October 4 and 5.

The CHAIRMAN. The counsel is reading from the voucher that you say you identified bearing the date of September 26, which is exhibit No. 51 and it says here that this is your voucher, expense advance in connection with regional conference to be held in Portland, Oreg., October 4 and 5.

Now, does that have any connection with the ticket?

Mr. CROSS. Well, I am not denying the voucher, sir, and I am not denying being there. You are asking me about the ticket and I did not make the ticket out. I evidently was in Portland, and my voucher is in for it and I agree to that.

The CHAIRMAN. All right, then.

Mr. CROSS. And I was in Los Angeles.

The CHAIRMAN. That is all I am trying to get at. Did you go or did you not go?

Mr. CROSS. If you ask me from memory, which you did, I do not remember that date.

The CHAIRMAN. We are presenting you these documents to help you remember.

Mr. CROSS. And I admit to the documents.

Mr. KENNEDY. Your total expenses for those 2 days in Portland and the trip, were \$962.53. Do you have any vouchers other than the plane ticket to support the payment of that money or the spending of that money?

Mr. CROSS. Would you tell me how that money is computed, or the total?

Mr. KENNEDY. Well, I would like to have your help, actually. You have food, Portland, \$179.60; entertainment, \$197.43; and a hotel in Los Angeles, \$10. You can look at it and here it is, and I do not have anything more than you have.

Mr. CROSS. You certainly do because the voucher shows \$600 and you just mentioned a figure of \$900.

Mr. KENNEDY. The vouchers total \$629.12, and the transportation was \$333.41.

Mr. CROSS. You mean the American Airlines ticket cost \$300?

Mr. KENNEDY. Yes.

Mr. CROSS. Well, that is not my expense.

Mr. KENNEDY. Well, the union is paying for you going to Portland, Oreg., for 2 days.

Mr. CROSS. Well, certainly—for how many days?

Mr. KENNEDY. For 2 days.

Mr. CROSS. No, sir.

Mr. KENNEDY. You tell me.

Mr. CROSS. Doesn't the ticket say from October 3 and returning October 6?

Mr. KENNEDY. What does your voucher say?

Mr. CROSS. From the 1st to the 5th, and that is 4 days.

Mr. KENNEDY. The first voucher says what?

Mr. CROSS. The first voucher says for an advance.

Mr. KENNEDY. For what days?

Mr. CROSS. For October 4 and 5 in Portland.

Mr. KENNEDY. And you left on the 3d and you got there, the ticket shows what date you arrived and you left on the 5th again, and you left Portland, Oreg.

Mr. CROSS. Yes, sir, and I went to Los Angeles.

Mr. KENNEDY. Did you have business in Los Angeles?

Mr. CROSS. Yes, sir.

Mr. KENNEDY. Was Kay Lower in Portland, Oreg., with you?

(The witness conferred with his counsel.)

Mr. CROSS. First off, Mr. Kennedy, the only reason I am hesitating, you leave me with a double question.

Mr. KENNEDY. All right.

Mr. CROSS. In the first place, I did not even remember saying she was there, and then you want to know if she is with me.

Mr. KENNEDY. You answer it. Was she there with you?

Mr. CROSS. You have information that she was?

Mr. KENNEDY. You tell me.

Mr. CROSS. I can't remember.

Mr. KENNEDY. You cannot remember?

Mr. CROSS. Of course not; you meet a lot of people all over this country.

The CHAIRMAN. Just a moment, now, and I think there is already enough known about this so that there is not——

Mr. CROSS. There is enough assumed about this, Senator.

The CHAIRMAN. We are trying to get what we can know about it from you.

Mr. CROSS. Thank you.

The CHAIRMAN. If you can tell us about it, just give us the score and what happened.

Mr. CROSS. What happened where?

The CHAIRMAN. In Portland, Oreg., on this trip.

Mr. CROSS. I attended a Pacific coast conference of bakery workers.

The CHAIRMAN. The question was, was Miss Kay Lower there?

Mr. CROSS. If you would refresh my memory.

The CHAIRMAN. We are trying to refresh it.

Mr. CROSS. I haven't anything in front of me. You are asking me for something that is how many years old.

Mr. KENNEDY. Were you ever in Portland with Kay Lower?

Mr. CROSS. If you put it that way, the answer is "No."

The CHAIRMAN. Then it could have been "No" all the time.

Mr. CROSS. No, sir. That is a double question asking me if I was ever there with Kay Lower and the answer is "No."

The CHAIRMAN. Let us get this straight. This is less than 2 years ago, apparently. On the occasion when you submitted the voucher there for these expenditures, on the occasion when you made the trip for which those vouchers are to cover, the simple question is, was Miss Lower there in Portland, Oreg., with you at that time?

Mr. CROSS. And the simple answer, Mr. Senator, is I don't remember.

The CHAIRMAN. Well, you just testified under oath that she has never been with you there and now, can you not answer that? Why can you not remember this particular one?

Mr. CROSS. Because she was not with me. The implication you are putting on that, and now if you ask if I ever remember her being in Portland, I will be happy to admit it freely.

The CHAIRMAN. All right. Let us see if we can get it that way. Do you ever remember being in Portland, Oreg., at the same time that Miss Kay Lower was there?

Mr. CROSS. This one I will say that my recollection, my memory has been refreshed to the extent that there has already been testimony here to the fact that I was there at the same time, attending the conference.

The CHAIRMAN. And she was there at the same time?

Mr. CROSS. That is right.

The CHAIRMAN. Did you pay her expenses to come there?

Mr. CROSS. Me? No.

The CHAIRMAN. Did your union, at your direction?

(The witness conferred with his counsel.)

Mr. CROSS. Mr. McClellan, I am sure that if your committee has any vouchers or any evidence of this international union paying Miss Lower's fare to Portland, I would be happy to identify it.

The CHAIRMAN. We will give you a chance in a moment, but I am trying to test your memory.

Mr. CROSS. My memory is very poor when it comes to people over a period of 2 years. I meet thousands of people.

The CHAIRMAN. But I thought this might be a little different.

Mr. CROSS. I know what your thoughts are.

The CHAIRMAN. All right, Mr. Kennedy, proceed.

Mr. KENNEDY. You met Kay Lower in Portland and you can remember that.

Mr. CROSS. Pardon me?

Mr. KENNEDY. You met Kay Lower in Portland?

Mr. CROSS. I say my memory having been refreshed by prior testimony here, I would be willing to say that Kay Lower was in Portland.

Mr. KENNEDY. Did you discuss union business with Kay Lower at that time?

Mr. CROSS. No, sir.

Mr. KENNEDY. Do you know what Kay Lower was doing in Portland at that time?

(The witness conferred with his counsel.)

Mr. KENNEDY. Do you need legal advice to find that out?

Mr. CROSS. Do you have objections to legal advice?

Mr. KENNEDY. No; as long as you ask for legal advice.

Mr. CROSS. How do you know what I am asking?

Mr. KENNEDY. I don't. I am just asking.

The CHAIRMAN. The Chair will make it very clear that under the rules the counsel is here to advise the witness as to his legal rights. It is not to advise the witness as to what facts to state and an answer to the question.

The witness has the facts or knowledge perhaps, more so than the counsel, and that is the theory at least. Counsel may advise the witness as to any legal right he may have, and with it the witness may feel free to consult with his counsel regarding any legal right.

But counsel knows that he is not permitted to put words in the witness' mouth as to answering a question under oath as to what the facts are.

Mr. CROSS. But he is allowed to discuss with me whether my answer—

The CHAIRMAN. Your legal rights which would be—well, you can get the idea—go ahead.

(The witness conferred with his counsel.)

Mr. CROSS. Would you repeat the question, please?

Mr. KENNEDY. Repeat the question.

(The pending question was read by the reporter.)

The CHAIRMAN. The question was, Do you know what Miss Lower was doing there, in Portland, Oreg., at that time? You said you did not discuss union matters with her.

Mr. CROSS. To the best of my recollection, she was there with former Vice President Stuart, as part of the organizing campaign in Los Angeles.

The CHAIRMAN. Was she ever employed as an organizer?

Mr. CROSS. Yes, sir.

The CHAIRMAN. How long have you known her?

Mr. CROSS. Again to the best of my memory, sometime in the fall of 1954.

The CHAIRMAN. All right, Mr. Counsel, proceed.

Mr. KENNEDY. You say she was there with Vice President Stuart?

Mr. CROSS. I don't follow the question. She was in Portland while Vice President Stuart was there.

Mr. KENNEDY. You said she was there with Vice President Stuart, as I remember it.

Mr. CROSS. She was there at the same time.

Mr. KENNEDY. What was she and Vice President Stuart doing, and what was she doing with Vice President Stuart in Portland?

Mr. CROSS. I presume discussing the Los Angeles campaign with some of the other men in Portland at the time.

Mr. KENNEDY. Did you discuss it with her?

Mr. CROSS. No.

Mr. KENNEDY. Did you meet with her?

Mr. CROSS. I met her once.

Mr. KENNEDY. Where did you meet her?

Mr. CROSS. I met her in the cocktail lounge, as I recall.

Mr. KENNEDY. Was she working for the union at that time?

Mr. CROSS. As I understand, from later discussions with Stuart, Stuart had her on special assignments in the Los Angeles area.

Mr. KENNEDY. Did you ever discuss this matter with her, what work she was doing for the union?

Mr. CROSS. Not at that time.

Mr. KENNEDY. Did you discuss it later?

Mr. CROSS. Yes.

Mr. KENNEDY. What discussions did you have with her about it?

Mr. CROSS. I had discussions on the Van de Kamp organizing campaign and the Golden Crust, as to the question of the best way to attempt to sign members in the Van de Kamp organization.

The CHAIRMAN. Was she experienced in that field?

Mr. CROSS. It does not take experience to organize workers, and it takes hard work.

The CHAIRMAN. But you were asking her the best way to organize.

Mr. CROSS. Because she was familiar with a lot of the people in the Van de Kamp plant.

The CHAIRMAN. She has testified, and her memory is something like yours, and she could only remember one person she knew and could not even recall his name.

Mr. CROSS. That is her memory and not mine.

Mr. KENNEDY. She testified that the only person she knew was the head baker, and she could not remember his name, but his wife's name is Marjorie or something like that. She said she did not know anybody else there. Did she tell you she knew a lot of people?

Mr. CROSS. Yes, sir.

Mr. KENNEDY. That was the conversations you had with her?

Mr. CROSS. I had subsequent conversations with her, and I would, if you would allow me, before this becomes a problem, say that it isn't really a problem to explain, because of your interest in getting the facts.

The CHAIRMAN. All right, sir. We will give you the opportunity now to explain the whole circumstance.

Mr. CROSS. Thank you, sir. In the Los Angeles area we had attempted through our regular procedure of organization for almost a period of 20 years to organize the Golden Crust Bakery and the Van de Kamp Bakeries. The Van de Kamp Bakeries employed over 1,400 members that I thought belonged to the jurisdiction of this international union.

By testimony of local union officials and other organizations, well over \$150,000 worth of moneys had been expended in prior campaigns of organization and each time we had been defeated. We had to find a way to organize this plant in a manner that no one would be able to anticipate our moves, in a manner, if you may allow me, unorthodoxly, so that we could——

The CHAIRMAN. What do you mean my that?

Mr. CROSS. Not the usual house-to-house knocking at doors and asking people to join and putting out leaflets to come to the union meetings. We had to contact on a secret basis——

The CHAIRMAN. Now, let us get what the secret basis was, and what operation involved was secret.

Mr. CROSS. I thought, Senator, you would be so kind as to allow me to tell the story.

The CHAIRMAN. I am. I am just trying to get clarification as we go along. Does this interrupt you?

Mr. CROSS. It does get me off my trend of thinking.

The CHAIRMAN. All right; I do not want to get you off your trend of thinking. Proceed.

Mr. Cross. Thank you. And we have at the Golden Crust and the Van de Kamp in many attempts past, in very long, hard strikes and many attempts at organization, all of which had failed. We were devising ways and means, Vice President and Director of Organization Stuart and I, in a manner that would hide from this company and the people who worked in the plants the fact that we were in another organizing campaign.

It was the main reason why we discontinued financial support to local 37 for a special organizer and took it out of the hands of local 37 and put it directly into the hands of the international union. That was so that we could proceed with as much secrecy as possible, so that we would not again be defeated in our efforts. One of the people that we chose to help us in this organization campaign was a person entirely outside of the ranks of labor, which, incidentally, it is under my prerogative as president to hire, by constitution.

We did hire to my knowledge at that time, Mrs. E. K. Thorpe, the mother of 2 children, and we put her not on the official payroll of the organization, because of the reasons of our own in our international office, which seems to be apparent now, and proceeded to pay her whatever money was necessary for her expenses in soliciting the men and the women at the 250 retail outlets at Van de Kamp and the bakery employing over 800 people and also the contact work necessary that surrounds this particular type of work.

Whether or not it was successful can only be demonstrated by the fact that both of those organizations, the Golden Crust and the Van de Kamp, are now under contract with this organization for the first time in their history and under union-shop arrangements.

The CHAIRMAN. Do you give Mrs. Thorpe credit for that?

Mr. Cross. I give her partially credit for that.

The CHAIRMAN. What was the unorthodox means you mentioned?

Mr. Cross. The fact that we were employing people that were not members of this organization and that were not known to the officialdom of our local unions in the Los Angeles area.

The CHAIRMAN. It was kept secret from them?

Mr. Cross. Yes, sir.

The CHAIRMAN. They said that they furnished her a car, a union car.

Mr. Cross. That is not an official, sir, of the local union. That is an international organizer.

The CHAIRMAN. An international organizer furnished her the car, and not the local union?

Mr. Cross. That is right.

The CHAIRMAN. Who was the international organizer?

Mr. Cross. John Nelson.

The CHAIRMAN. Is Mrs. Thorpe and Miss Lower the same person.

Mr. Cross. I understand they are.

The CHAIRMAN. When you first met her, you met her by what name?

Mr. Cross. Mrs. Thorpe.

The CHAIRMAN. When did you begin to know her as Miss Lower?

Mr. Cross. It is hard to say, but, if I was guessing, about 4 months or a year later.

Mr. KENNEDY. When she was doing this work for you, in soliciting these men and women at the bakery, did she make reports to you as

to how it was coming, or whether her solicitation was being successful?

Mr. CROSS. She not only reported to me on that, but I think one of the very important things in the successful conclusion of that negotiation was the fact that she gave me the first information before it was published or before it was general knowledge of the fact that the Van de Kamp had sold their plants and their holdings to the General Baking Co., and because of that it gave me prior knowledge to sit down with the heads of the General Baking Co. and work out whatever arrangements could be for a peaceable settlement of that situation. She was the one who gave me the first information on that.

Mr. KENNEDY. Why did you happen to select her to do the soliciting for you?

Mr. CROSS. Because——

(The witness conferred with his counsel.)

Mr. CROSS. I want to say first off, so that we get it straight, I wasn't the first to choose Mrs. Thorpe for her particular work. It was Director of Organization Stuart, and then through him John Nelson. When I finally got into this campaign, I knew of her background from Stuart on the question of her knowledge of the local unions in Los Angeles, and thought that it would be a good asset for us, as far as getting the plant. I think the result proves that out.

The CHAIRMAN. Do you know why she will not take any credit for it?

Mr. CROSS. She must have her own reasons, sir.

The CHAIRMAN. She must have, but we tried to get a little information from her along these lines.

Mr. KENNEDY. You say you knew about her background? Had she had some experience in this deal before?

Mr. CROSS. When I checked back, her husband had been a former official of the hotel and restaurant workers union. She was very well acquainted with the members and officials of the waitresses union, and approximately 800 of these people we were attempting to get in our organization from the Van de Kamp Bakeries. They also have, you know, restaurants, two-hundred-and-forty-some-odd.

Mr. KENNEDY. Did you know that in 1949 she had been arrested for grand theft?

Mr. CROSS. My first knowledge of Mrs. Thorpe's background as far as the question you just asked was at the March hearing, when Mr. Sims brought out a record at that time, March 1957.

Mr. KENNEDY. And in 1951 she had been arrested for offering, 1951 residing in a house of ill fame, 1952 offering, 1954 offering, 1956 offering, 1956 drunken driving. Did you know that?

Mr. CROSS. It is the same answer as I gave you before. I was aware of the record in March 1957 hearing.

Mr. KENNEDY. You hadn't known——

Mr. CROSS. I might say that since that time, she no longer works for this organization.

Mr. KENNEDY. You don't know that she had been arrested and convicted for residing in a house of ill fame when you hired her?

Mr. CROSS. It is the same answer, sir.

Mr. KENNEDY. You talked to her quite frequently by telephone, is that right?

Mr. CROSS. She talked to me, I talked to her, and she talked to several other officers of this international union by telephone.

Mr. KENNEDY. As I understand it, there were some several thousand dollars worth of telephone calls from you to her.

Mr. CROSS. That isn't so, sir.

Mr. KENNEDY. How many?

Mr. CROSS. I have no idea, because I haven't made an audit. But in the charges that Sims made to the board, he put in an estimate on his own audit of approximately \$2,300. The truth of the matter is we have—you have some working sheets which shows that a lot of those calls went to Vice President Stuart and to Vice President Crawford, besides myself, and a further examination will bear it out.

My secretary also took some of those calls.

Mr. KENNEDY. Were you talking to her on the phone at that time regarding Van de Kamp Bakeries?

Mr. CROSS. Golden Crust and Van de Kamp.

Mr. KENNEDY. As I understand it, you returned some money to the union after these charges were made by Mr. Sims: is that correct? Did you return some money to the union?

Mr. CROSS. I didn't return any because I never took any.

Mr. KENNEDY. Well, did you pay any money to the union for the telephone calls that you had made?

Mr. CROSS. I gave a personal check of \$2,500 to the union, and I am sure you will allow me to explain why.

Mr. KENNEDY. Was that in connection—go ahead.

The CHAIRMAN. Let me ask you first, and then you can explain, were these reimbursements to the union for telephone calls you had paid for out of union funds, telephone calls between you and Mrs. Thorpe or Miss Lower?

Mr. CROSS. That is what it is alleged. I have never yet made an audit to know whether that is so or not.

The CHAIRMAN. Well, was it to cover those telephone calls?

Mr. CROSS. The check was put in the treasury of the international union to cover those calls alleged by Sims that they were personal calls.

The CHAIRMAN. Alleged by Sims to be personal calls?

Mr. CROSS. The daily newspapers had already smeared me with a relationship which was not true, and rather than have the organization exposed, I remained silent and took the blame and returned the check.

The CHAIRMAN. What would be the exposure of the organization if it was a legitimate expense?

Mr. CROSS. Because Curtis Sims exposed the record for the first time.

The CHAIRMAN. What is wrong in expressing the record? What is there about the record that would reflect upon the union if it was legitimate expense?

I cannot see how it smears to say, "Here is the record of legitimate expense of \$2,500 in telephone calls."

Mr. CROSS. You misunderstood me, sir. I was talking about the person's record.

The CHAIRMAN. About what records?

Mr. CROSS. About Mrs. Thorpe's record.

I don't think you would want me to continue a person like that on the payroll after it became public knowledge of the record.

The CHAIRMAN. Well, that might be true.

Mr. CROSS. That is why.

The CHAIRMAN. If you had expended the money without that knowledge of her record, why would you feel under any personal obligation to replace it?

Mr. CROSS. Because it was my thinking at the time when this hearing was held on the charges against me, and the subsequent 2-day or 3-day later exposure of a relationship by the Post-Times which was not true, that as long as it had been exposed in that particular way, that it was better for me to suffer the consequences than to have the union charged with hiring that type of person.

The CHAIRMAN. I cannot quite follow that.

Proceed, Counsel.

Mr. CROSS. I am sorry, sir.

The CHAIRMAN. I can hardly conceive of a man in your position would pay out his own money to reimburse the union for the legitimate expense incurred.

Mr. CROSS. I have done it before, sir.

The CHAIRMAN. I do not know the circumstances of the other.

Proceed, Mr. Counsel.

Mr. CROSS. Could I, Mr. Chairman, have your indulgence?

I have a record here on these telephone calls showing that the calls were received and made by more than myself.

The CHAIRMAN. Have you examined the record with respect to those calls?

Mr. CROSS. I have an affidavit from Miss Elizabeth Parker, who is the lady who operates our switchboard, and from her records she attests that the following is true.

The CHAIRMAN. Have you the records? She may be called as a witness. I want to know if you have personally checked the records so that you can personally testify to them.

Mr. CROSS. As to the dates, no; but as to the men and as to the calls, yes.

The CHAIRMAN. You have checked it as to the men and as to the calls?

Mr. CROSS. Right.

The CHAIRMAN. So you can testify under oath yourself that the documents you have there, the recapitulation and tabulation of those calls, is correct from your records?

Mr. CROSS. To the best of my knowledge, sir.

The CHAIRMAN. Well, you checked them for the purpose of being able to testify that to the best of your knowledge, after checking the records, they are correct.

(The witness conferred with his counsel.)

Mr. CROSS. I think you do. I didn't keep these records, you know.

The CHAIRMAN. I did not ask that. I am talking about the records of the union. They are kept under your supervision, are they not? As president, you have authority to examine them, to check them, to try to keep them accurate?

Mr. CROSS. I have a difficult time checking these because your committee has them all.

The CHAIRMAN. Do we have your original records?

Mr. CROSS. Yes, sir.

The CHAIRMAN. We will be glad to check them.

Do you have them here?

Mr. KENNEDY. Mr. Chairman, they have had the opportunity and free access to these records continuously.

The CHAIRMAN. And have they also cooperated in the manner of checking them?

Mr. KENNEDY. They have always been available. I don't know how much they have checked them personally.

The CHAIRMAN. Do you want to read them off? How many are there?

Mr. HARRIS. Mr. Chairman, if I may interject, these are log sheets that are kept by most offices of long-distance phone calls. What we have here, what Mr. Cross has here, are photo copies. It is my understanding that the original logbook was turned over to the committee staff and was examined by the committee's staff.

I believe, though I am not sure, that it has been returned to the international union. These are photostats of those same sheets, and accompanied by this affidavit.

The CHAIRMAN. Do these telephone calls involve the \$2,500 that you returned to the union?

Mr. CROSS. They are part of those as charged by Curtis Sims.

The CHAIRMAN. Do you want to submit these, or do you want to testify to them one at a time? Do you want to submit them for the record?

Mr. CROSS. I will submit them for the record, if you do not mind, sir.

The CHAIRMAN. All right. They may be made exhibit No. 52.

(The document referred to was marked "Exhibit No. 52," for reference and may be found in the files of the select committee.)

Mr. KENNEDY. I would like to get cleared, if I could, on this situation up in Portland, according to the record you spent up in Portland, air transportation, allegedly, \$333.41, but your expenses up in Portland were \$629.12. Do you have any vouchers at all as to how you spent \$629.12 of union money in 2 days?

Mr. CROSS. You continually say 2 days. Doesn't it show the listing of a Los Angeles Hotel?

Mr. KENNEDY. Let me show you. You left Portland, Oreg., at 6:10 p. m., on October 5. It takes at least 2½ hours to get down to Los Angeles. Therefore, you arrived at Los Angeles, say, at 9 o'clock that night. You left at 9:35 the following morning and came back to Washington.

You have a charge in there for a Los Angeles hotel of \$10. Then \$619.12, how did you spend that for the Oregon situation? How did you spend that in Oregon, in Portland? Do you have any vouchers for it?

Mr. CROSS. You have the voucher.

Mr. KENNEDY. All right.

Where are the vouchers you submitted saying this is how much money you spent. That you spent \$199 in entertainment in Portland. Where are the vouchers to support that?

Mr. CROSS. Do you mean receipts?

Mr. KENNEDY. Yes.

Mr. CROSS. I don't know whether they are there or not, but Mr. Sims would have them with the vouchers.

I have had a difficult time in the last 3 or 4 months finding the vouchers.

Mr. KENNEDY. We have had a difficult time in the last 3 or 4 months finding the vouchers.

Mr. CROSS. You have been doing better than we have, because you have had better access to them than I have.

Mr. KENNEDY. We cannot find any vouchers for this money that you spent up there.

Mr. CROSS. Mr. Kennedy, I think we can save a lot of time. If there are no attached vouchers and there never were——

Mr. KENNEDY. This came from the union. This didn't come from Mr. Sims. This came from the international union. We subpoenaed the records.

Mr. CROSS. Yes, but Mr. Sims had these in his custody.

Mr. KENNEDY. Are you saying or charging that Mr. Sims destroyed the support for these vouchers?

Mr. CROSS. I wouldn't charge Mr. Sims with anything until I had proof of his guilt. However, I might say on these vouchers we could save time, that whatever I have on those vouchers, or the listing and what was submitted to this organization, and what was approved by the organization, and what was approved by Secretary-Treasurer Sims, and what was subsequently approved by the international convention of this organization.

Mr. KENNEDY. Then to go on, that, apart from the transportation, \$629 up there, you went shortly afterward, November 29 through December 9, 1955, on a trip to New York City. That is about 10 days, 10 or 11 days. You charged the union \$4,069.75. Is that correct?

Mr. CROSS. May I see the vouchers?

Mr. KENNEDY. Yes. It was a trip to New York City for AFL-CIO merger. The total that we have is \$4,069.75.

Mr. CROSS. Does that also include hotel bills?

Mr. KENNEDY. Yes.

Mr. CROSS. May I see them?

The CHAIRMAN. Let the Chair present them to you for identification. I was just trying to familiarize myself sufficiently to identify them.

I present to you what purport to be photostatic copies of vouchers. One is dated November 14, 1955, in the amount of \$1,000. Another one is dated December 2, 1955, in the amount of \$1,000. Another one is dated December 12, 1955, in the amount of \$1,827.55.

Another one is dated December 12, 1955, in the amount of \$434.93. Another one is dated December 12, 1955, in the amount of \$221.67, and another one dated November 30, 1955, in the amount of \$214.50.

That is a series of six vouchers, from November 14 to December 12, inclusive. These six purportedly total how much?

Mr. KENNEDY. \$4,069.75. The last voucher is for 22 football tickets, for \$214.

The CHAIRMAN. I present to you a series of six photostatic copies of vouchers which the Chair has preliminarily identified, and I will

ask you to examine them and see if you can identify them as vouchers which you submitted for your expenses during that period of time.

(The documents were handed to the witness.)

(The witness conferred with his counsel.)

Mr. Cross. These are initialed by myself and Mr. Sims.

The CHAIRMAN. All right. They may be made exhibit Nos. 53-A, 53-B, 53-C, 53-D, 53-E and 53-F.

(The documents referred to were marked exhibits Nos. 53-A through 53-F, inclusive, for reference and will be found in the appendix on p. 3190-3195.)

Mr. Cross. But, Mr. McClellan, these do not show the total that Mr. Kennedy is talking about.

The CHAIRMAN. If the Chair was inaccurate in the figure given, they may be totaled by your attorney.

Mr. Cross. They are totaled, sir.

The CHAIRMAN. What do they total?

Mr. Cross. The total is \$2,721.67.

The CHAIRMAN. Let me see them again. I saw 2 for \$1,000 each.

Mr. Cross. Yes, but, sir, what you are doing is taking advance moneys, and the recapitulation of the vouchers subtracted from the advances, and adding it all together. That is not it. The advances are deducted by subsequent vouchers.

The CHAIRMAN. They are?

Mr. Cross. Yes, sir.

The CHAIRMAN. What is the total?

Mr. Cross. The total is, as I gave you, \$2,721.67, which, sir, includes \$214.50 for the Rose Bowl tickets that have been presented, and which I didn't attend, and others of our organizations, such as Vice President Goodman and his wife, and those that are now yelling about this voucher, attended that particular function.

(At this point, Senator Kennedy entered the hearing room.)

The CHAIRMAN. The Chair never wishes to make an inaccurate statement about what the vouchers show. They speak for themselves. If there were some deductions in them, that should be credited. The correct total will be inserted in the record.

Proceed, Mr. Kennedy.

Mr. KENNEDY. Mr. Chairman, the record shows that there were advances, and you can look at those vouchers, of \$2,500.

Mr. Cross. Right.

Mr. KENNEDY. There was an additional expense claimed of \$221.67. There are 22 tickets to the football game, \$214.50. The hotel bill paid, \$31 a day, totaled \$973.31. There was another hotel bill paid for \$130.13.

Was Kay Lower in New York at the time?

Mr. Cross. To the best of my recollection, yes.

Mr. KENNEDY. Was she still discussing Van de Kamp?

What was she doing in New York City?

Mr. Cross. She was there on union business.

Mr. KENNEDY. Discussing Van de Kamp?

Mr. Cross. Not only Van de Kamp, but the Golden Crust which, if I am not mistaken, at this particular time was in a very serious strike situation.

Mr. KENNEDY. Was she registered under the name of Ruth Cross?

Mr. CROSS. No.

Mr. KENNEDY. Was Ruth Cross there?

Mr. CROSS. No. The room was used for playing poker for the rest of the general executive board members.

Mr. KENNEDY. Ruth Cross' room?

Mr. CROSS. Right. Which is a common practice with this international union long before I became president.

Mr. KENNEDY. Then the room for the officials to play poker in cost the union \$130.13?

Mr. CROSS. Over what period?

Mr. KENNEDY. During the period you were up there—10 days?

Mr. CROSS. You have it; I don't.

Mr. KENNEDY. The transportation was \$30.14, making a grand total of \$4,069.75, including the \$130 for playing poker. Did the union pay for Kay Lower's room there?

Mr. CROSS. I think the records show, if there were any, that she paid for her own.

Mr. KENNEDY. Why would she come all the way to New York City to discuss Van de Kamp Bakery with you and pay for her own room?

Mr. CROSS. She would be reimbursed by the organization.

Mr. KENNEDY. She was reimbursed?

Mr. CROSS. I would presume so.

Mr. KENNEDY. That was quite a trip. You couldn't discuss that on the phone when you were talking to her about these other things?

Mr. CROSS. No, sir.

Mr. KENNEDY. Then you had a trip to—again, I don't think there are any vouchers for any of the expenses other than the hotel bill, which is \$973.31, the air transportation which is \$30.14, the tickets, \$214.50. The rest of it, about \$2,700, has no vouchers at all for it.

(The witness conferred with his counsel.)

Mr. KENNEDY. I have some more here that I would like to go over with you. Do you remember going to Ottumwa, Iowa?

Mr. CROSS. Ottumwa?

Mr. KENNEDY. Do you remember going to Ottumwa, Iowa?

Mr. CROSS. Yes. I wouldn't know the date, but I was in Ottumwa.

Mr. KENNEDY. Was Kay Lower in Ottumwa, Iowa, with you?

Mr. CROSS. She wasn't with me, but she was in Ottumwa, Iowa.

Mr. KENNEDY. Was she discussing Van de Kamp Bakeries there?

Mr. CROSS. Yes; in conference with Mr. John Nelson. I would like it to show right now that there was never a single instance that I ever discussed union business or in any of the cities where Miss Lower or Mrs. Thorpe was, that there wasn't either Vice President Stuart or International Representative Nelson, or Vice President Crawford in my company.

Mr. KENNEDY. You saw her there, did you?

Mr. CROSS. Yes, sir.

Mr. KENNEDY. Did you get in touch with the hotel and ask that they make hotel reservations there for you and Nelson and Kay Lower, and that you have adjoining rooms?

Mr. CROSS. No, sir; not to my knowledge.

Mr. KENNEDY. You didn't ask that there be adjoining rooms for you and Mrs. Lower?

Mr. CROSS. Not to my knowledge.

Mr. KENNEDY. Does that seem conceivable?

(The witness conferred with his counsel.)

Mr. CROSS. Mr. Kennedy, if I might, or Mr. Chairman—I should direct my remarks to you—I would like to ask at this particular point what the relevance is of the adjoining room question?

The CHAIRMAN. Well, I do not think it needs much explanation. You are an adult.

Mr. CROSS. It does to me, sir.

The CHAIRMAN. It does? Well, the question in here is whether this woman was on union business or whether you were paying this woman's expenses for other purposes. That is the plain import of the whole thing. I don't know how to make it any clearer.

Mr. CROSS. I have testified to the fact that she was on union business.

The CHAIRMAN. I know you have. Proceed.

Senator GOLDWATER. I would like to go back just a bit here to try to clear up one point, Mr. Cross.

What date did you say Miss Lower told you that the Van de Kamp Co. sold out to the General Co.?

Mr. CROSS. I didn't say what day, sir. I said she was the one that gave me the advance notice.

Senator GOLDWATER. Approximately what date?

Mr. CROSS. I haven't the slightest idea.

Senator GOLDWATER. Could it have been 1954?

Mr. CROSS. It couldn't have been, because they didn't sell out until sometime in 1956.

Senator GOLDWATER. That is what I wanted to know.

Mr. CROSS. Yes.

Senator GOLDWATER. When did you conclude negotiations with the Van de Kamp organization?

Mr. CROSS. There were two negotiations, one which we refer to as the top level, which was the recognition stipulation, and the other on the question of wages, hours, and general conditions was concluded sometime this year by the local negotiators.

Senator GOLDWATER. And when did you conclude negotiations with Golden Crust?

Mr. CROSS. With Golden Crust? I think we concluded and ended the strike in May 1956, or something, if my mind is right—my memory.

Senator GOLDWATER. How long have you been a member of this union?

Mr. CROSS. I was a member in 1933 and 1934, then dropped out, and became a member continuously since 1937—1936; I am sorry.

Senator GOLDWATER. What particular part of this trade did you practice?

Mr. CROSS. I was what they usually refer to as a pan greaser and a fruit cook.

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. Do you remember your trip to Ottumwa?

Mr. CROSS. I remember being in Ottumwa, sir.

Mr. KENNEDY. Did you come from Washington, D. C.?

Mr. CROSS. I don't recall.

Mr. KENNEDY. You don't remember the trip at all?

Mr. CROSS. I remember being—you see, my memory will attach itself to meetings rather than to the mode of transportation or to the dates, so that I remember Ottumwa because the midwest bakers were meeting there. So that is the important part to me, and not how I got there or when I got there.

Mr. KENNEDY. I see.

Our records show that from the 5th of January to the 16th, and the total spent was \$774.57, including your transportation.

Mr. CROSS. That is quite possible, sir, because there were 35 to 40 delegates there, and I entertained them all.

Mr. KENNEDY. Do you remember you went from Washington to Chicago and then out to Ottumwa?

Mr. CROSS. Washington to where?

Mr. KENNEDY. Washington to Chicago, and then out to Des Moines? Do you remember how you went?

Mr. CROSS. I went by plane.

Mr. KENNEDY. Do you remember if anybody was on the plane that you knew, with you?

Mr. CROSS. No. I think I met John Nelson.

Mr. KENNEDY. Do you remember meeting Kay Lower in Chicago?

Mr. CROSS. I was getting ready to answer you. You ask me and then you jump my answer.

Mr. KENNEDY. I didn't mean to. Did you meet Kay Lower in Chicago?

Mr. CROSS. I don't recall. I was getting ready to say to the best of my recollection that I met Mr. Nelson and Miss Thorpe in Des Moines, Iowa, and we drove to Ottumwa. That is the best of my recollection.

They could have gotten on the plane at Chicago and then we drove from Des Moines to Ottumwa.

Mr. KENNEDY. Do you remember meeting Kay Lower in Chicago and she boarding flight 201 with you and you both flew from there to Des Moines?

Mr. CROSS. Does it show Mr. Nelson was with me?

Mr. KENNEDY. No.

Mr. CROSS. Then I can't recall it. I recall meeting Mr. Nelson and Mrs. Thorpe, either in Des Moines—if you say Chicago, I will accept it; there is no reason why I shouldn't and we did rent a car in Des Moines and drive to Ottumwa, Mr. Nelson, Mrs. Thorpe and myself.

Mr. KENNEDY. Why did Miss Lower want to come to Chicago?

Mr. CROSS. I suppose that is the best way to get to Ottumwa.

Mr. KENNEDY. She just couldn't go through Des Moines?

Mr. CROSS. I don't suppose so, on a direct flight from Los Angeles. I don't know.

(At this point Senators Kennedy and Goldwater withdrew from the hearing room.)

Mr. KENNEDY. Do you want to examine these vouchers?

Mr. CROSS. Mr. Kennedy, again, you mention a figure which, by my records here, taken from those, do not reflect the same amount of money.

Mr. KENNEDY. What do your records show?

Mr. CROSS. My records here show \$620.

Mr. KENNEDY. Is that including your transportation?

Mr. CROSS. I don't know, sir. I doubt it very much because the transportation is always charged direct to the international office.

Mr. KENNEDY. This is including your transportation.

Mr. CROSS. It would be nice if we always said that.

Mr. KENNEDY. You got an advance for \$500. Your airline ticket was \$119.48. You rented an automobile for \$34.74. You had additional expenses of \$120.35, which make a total of \$774.57.

Mr. CROSS. So the transportation also included \$34 or \$35 of the rented automobile for three people.

Mr. KENNEDY. So you had about \$600 to account for.

Mr. CROSS. Five hundred and some odd.

The CHAIRMAN. Do you want those made part of the record?

Mr. KENNEDY. I think it might be well.

The CHAIRMAN. I hand you a voucher for \$500, a voucher for \$120, plus a hotel item of \$15, plane tickets, room rental and paid for rental of a car.

I ask you to examine them and state if you identify them as items of expense on the trip referred to.

(Documents handed to witness.)

Mr. KENNEDY. Mr. Chairman, we also did not put in the hotel bill of Mr. Cross up in New York, with \$130 for the poker room, plus the \$970.

(The witness conferred with his counsel.)

Mr. CROSS. Yes, sir; these are the vouchers initialed by myself and Secretary Sims.

The CHAIRMAN. They may be made exhibit No. 54.

(Documents referred to were marked "Exhibit 54" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. This is the hotel bill we were discussing, of the last trip to New York.

The CHAIRMAN. I present what purports to be the original hotel bill of your trip to New York. I ask you to examine it and state if you identify it as such.

(Document handed to witness.)

Mr. KENNEDY. His hotel bill and also the one for Ruth Cross.

(The witness conferred with his counsel.)

Mr. CROSS. Mr. McClellan, may I ask Mr. Kennedy a question?

The CHAIRMAN. Yes, you may.

Mr. CROSS. You are submitting here a hotel bill which you charge against me for \$2,300 and 32—

Mr. KENNEDY. No, I am not. \$973 is yours.

Mr. CROSS. But this voucher is for 70 other people.

Mr. KENNEDY. I am not including those. Your total is \$973. Just identify the amount of yours.

The CHAIRMAN. You want to present to him only the vouchers charged to him?

Mr. KENNEDY. Yes.

The \$973 to your hotel bill, and \$132 for Ruth Cross. Those are the only two I am asking about.

Mr. CROSS. You are not including that Sims had one for \$650?

Mr. KENNEDY. No.

The CHAIRMAN. We will ask him about that.

Mr. CROSS. All right.

(The witness conferred with his counsel.)

Mr. CROSS. Mr. McClellan, I want to say, in identifying it, to say that it does show not only restaurant charges included in this, but also shows, if my figuring could be very fast, possibly well over \$150 or \$200 in long distance telephone calls, which could be on business at that particular time.

Mr. KENNEDY. I am giving you full credit for that. I am saying that \$2,700 plus that that you don't have vouchers for—I am giving you 100 percent credit for \$973.

Mr. CROSS. I thank you. Nine hundred and seventy-three dollars not only for a hotel, but for long distance calls and food for seven men during this entire period.

The CHAIRMAN. The voucher will speak for itself. It has that on it.

Mr. CROSS. But the reporters will not see that.

Mr. KENNEDY. You spent \$4,069.75 during that trip, and you have vouchers from that hotel for \$973, which you say was for food, telephone calls and whatever you have.

Mr. CROSS. That is what the hotel says.

Mr. KENNEDY. But beyond that, you had \$2,500 in advances, another \$221.67 in advances, and I say also you have a voucher for \$30.14 which is accounted for for your transportation. There is \$130.13 for Ruth Cross, which was for the poker, and the 22 tickets for the football game.

I say you accounted for some of it. It is about twenty-seven or twenty-eight hundred dollars that there are no vouchers for at all.

Mr. CROSS. You are not implying that I didn't account for it.

Mr. KENNEDY. Where did you account for it?

Mr. CROSS. I listed on the voucher exactly what it was for.

Mr. KENNEDY. Entertainment? Do you have any bills or anything?

Mr. CROSS. Of course not.

Mr. KENNEDY. That is what I am talking about. I would think if you spent \$2,700, that somebody would want to know where it went.

(The witness conferred with his counsel.)

The CHAIRMAN. Those hotel vouchers, the 2, may be made exhibit No. 55, and the 1 for the poker room may be made 55-A.

(Documents referred to were marked "Exhibits 55 and 55-A" for reference and will be found in the appendix on pp. 3196-3199.)

The CHAIRMAN. At this moment, the Chair will read to you an excerpt from a letter that the committee received, and I will ask you to make any comments on it that you care to. You have been interrogated about this.

Mr. CROSS. Mr. Chairman, is this off the subject of vouchers now, on this particular voucher?

The CHAIRMAN. This is about—

Mr. CROSS. Is it on the New York voucher?

The CHAIRMAN. No; this is not on the New York voucher.

Mr. CROSS. Have we concluded that?

The CHAIRMAN. I am not sure.

Mr. CROSS. I would like to give a breakdown to show that I did break down this money that was spent, to this organization.

The CHAIRMAN. The only question is the \$2,700 for entertainment.

Mr. CROSS. I have it broken down here, sir.

The CHAIRMAN. You have it broken down?

Mr. CROSS. Yes, sir, and it is on the voucher.

The CHAIRMAN. Then you may state what it was for.

Mr. CROSS. The expenses of the union labels department convention from the November 28 to the 30th, that was not during the AFL convention, but was preceding it, entertainment and dinners for delegates, international officers, at the New York Hotel Statler, this is \$672.45.

From December——

Mr. KENNEDY. Do you have that bill?

Mr. CROSS. No, sir. I am listing here as to what they were for.

I know what you said. You wanted receipts for it. I don't have the receipts for it.

The CHAIRMAN. We wanted a voucher, a statement for it, or something.

Mr. CROSS. He has it.

Mr. KENNEDY. All you do is list in general terms how you spent the money. There are no bills or any supporting documents at all.

Senator MUNDT. What are you reading from?

Mr. CROSS. From the breakdown of the voucher he has.

The CHAIRMAN. Mr. Cross, this is very simple. You go up there and you spend two-thousand-seven-hundred-and-some-odd dollars for entertainment or some purpose.

Now you come back and on your records you show a breakdown of it. But the question is: Do you have any supporting vouchers for those expenditures?

Mr. CROSS. If you are asking for the entertainment voucher, the answer is "No." That has been a practice under this international union long before I came in it, under William Schnitzler, under President Winter, under President Myrup. They put down only what they spent.

The CHAIRMAN. I am not questioning what has been the practice. I am simply trying to get the facts in the record. I do not know, but it occurs to me that one could come back and say he spent any amount. But, if he had a voucher for it, he would have some corroborating evidence. You have kept your books so and your records so that no one has anything for that \$2,700 expenditure except your word.

Mr. CROSS. And those who were with me.

The CHAIRMAN. I do not know what they say. I am talking about so far as what the books show.

Mr. CROSS. The books show on the breakdown a Rose Bowl ticket expense in California on New Year's Day, which is included in this expense. I think it should be shown that that is not a New York expense. Those were moneys sent to the Big Ten committee in California for a New Year's Day——

The CHAIRMAN. Well, you sent it from New York, while you were up there; did you not?

Mr. CROSS. Yes; because the gentleman needed it in order for him to get tickets.

Mr. KENNEDY. We are giving you credit for it. That is not in the \$2,700.

Mr. CROSS. There is also an advance of \$110 out of this money to one of our representatives for his local entertainment at the same time.

The CHAIRMAN. Mr. Cross, this is quite simple. If you do not have vouchers, you do not have vouchers. But the question is this system of bookkeeping, keeping your records, where the officials can go out and spend large sums of money, maybe \$2,700 is not a very large sum—I do not know from the standpoint of your union but it would be to a lot of people—you spend the \$2,700, and you come back and report, so far as your records are concerned, that you spent it for this purpose and for that purpose. But you have no vouchers.

For your hotel expenses, you had a voucher, showing that you paid it, that it was charged to you and you paid it.

For these other items, you do not have a voucher. I do not know whether that is good practice or not, or bad practice, or a common practice. But it certainly affords the opportunity if no vouchers are provided, it affords the opportunity for a lot of padding to go on expenditures.

Do you agree?

Mr. CROSS. If you are dealing with a dishonest man.

The CHAIRMAN. I said it afforded the opportunity.

Mr. CROSS. Only to a dishonest person.

The CHAIRMAN. I think it affords it to either. The doing of it would be the dishonest act as distinguished between whether it actually occurred or did not occur. But the opportunity for that practice affords it both to honest and dishonest, does it not?

Mr. CROSS. You are better at expressing than I am.

The CHAIRMAN. All right.

Let me ask you about this one letter.

Wait a moment. We will let you finish that.

Senator MUNDT. He accounted for \$700 out of the \$2,700 so far, \$600 for a dinner and \$100 for an advance to somebody.

Mr. CROSS. I am sorry, Senator Mundt, \$672.45 for the dinners for the delegates and the international officers, at the period of November 28 to November 30, which was a different convention than the one Mr. Kennedy asked about.

Mr. KENNEDY. I included that, November 28 to December 9.

Mr. CROSS. But it was a different convention. And then there was the convention expenses for dinners, refreshments, and entertainment of our own delegates, the teamsters delegates, the grain miller delegates, the machinists, the restaurant workers, our bakers local representatives, and then for \$1,389.62 during this entire period.

Then there was an item of December 5 to the 9th, which is in addition to this, of \$549.60, again for gratuities at the hotel during this entire period, for refreshments and for the dinners for the delegates.

There was \$110 given to an international representative for his local expenditures at that time. Making a total of \$2,721.67, of which I had received an advance of \$2,500, saying that when I got back, the international issued me a further check for \$221.67.

Senator MUNDT. Did you pay this \$672 dinner, for example, did you pay the hotel that money in cash?

Mr. CROSS. It was several dinners, sir, and I would pay all of this in cash because of the cash advance that was given to me.

Senator MUNDT. You could have gotten a receipt from the hotel, could you not?

Mr. CROSS. No, sir; it might not have been at the hotel. This is partially at the hotel. It might have been at the Latin Quarter in New York. It might have been at several of the restaurants in New York. It has never been my custom to stop, while paying a check, and ask for a receipt at a night club. I doubt if it is many people's experience to do that. As Senator McClellan says, whether it is right or wrong, that has been the custom and the practice in this international, and I just followed it.

The CHAIRMAN. Is there anything further about that item?

Mr. CROSS. No, sir.

The CHAIRMAN. We have a letter from Jones, White & Johnson, of this place in Iowa—Ottumwa——

Senator MUNDT. Ottumwa, the home of the oldest packing company in the United States. It is the oldest packing in the United States. It is an Indian name.

The CHAIRMAN. Let us always remember that.

Senator MUNDT. I should say it has a branch in my hometown.

The CHAIRMAN. Mr. Cross, we have this letter signed by Mr. R. E. White to the committee dated June 4, 1957, which says

The hotel management has made further check in regard to the above matter referred to in our recent letter on May 22, 1957. Shortly before January 13, 1956, a man who identified himself as J. G. Cross telephoned the hotel and talked to the clerk, Doyle Jones, and made reservations for January 13, 1956, for 3 separate but connecting rooms for 3 persons. One for himself, whom he identified at that time as president, Bakers Association of Washington, D. C.; one for John Nelson, and one for Miss E. Lower. They arrived on January 13, 1956, and all 3 checked in at approximately 3:20 p. m. Mr. Cross was assigned room 618, Mr. Nelson was assigned room 616, and Miss Lower room 620.

Is there any comment you wish to make about it? That is the information the committee received. You were being questioned about that a while ago.

The questions were predicated upon this information.

Mr. CROSS. I wouldn't know the arrangements of the room. They assigned them. It still doesn't say they were connecting rooms. They might have been on the other side of John Nelson's.

The CHAIRMAN. They say they are connecting rooms.

Mr. CROSS. No, they don't. They say 616, 618, and 620.

The CHAIRMAN (reading):

For 3 separate but connecting rooms for 3 persons.

Mr. CROSS. And none of the rooms are connecting in the Ottumwa Hotel, because there are no doors between the rooms.

The CHAIRMAN. Well, I do not know about the arrangements of the hotel. I guess they could not give you a connecting room, then, and gave you the next thing to it.

(At this point, Senator Ervin entered the hearing room.)

Mr. KENNEDY. Mr. Chairman, we have other vouchers. On a trip to Miami Beach, February 5 to February 11, 1956, the total expense vouchers that were submitted totaled \$2,890.15, of which \$1,872 was entertainment.

Your room was \$54 a day, and we are giving you credit, of course, on that. You submitted a voucher on that. You had a cabana for \$50. Would you like those vouchers? During the same period of

time, or approximately the same period of time, February or March, you were in your own home in Palm Beach, Fla., according to our records, and at that time you charged the union \$1,070.58 for your driving down to your home in Palm Beach, Fla., and for entertainment there.

Mr. CROSS. I drew how much for driving down?

Mr. KENNEDY. Do you want me to go through it again?

Mr. CROSS. No; just the item for driving down. You are sure it wasn't 7 cents a mile for 1,040 miles?

Mr. KENNEDY. The total vouchers that you submitted for your driving to your home in Palm Beach, Fla.

Mr. CROSS. From where?

Mr. KENNEDY. Washington, D. C.

Mr. CROSS. Was 7 cents a mile at 1,050 miles?

Mr. KENNEDY. Right.

Mr. CROSS. I want that right.

Mr. KENNEDY. Good. And your charges to the union for driving down from Washington, D. C., to your home in Palm Beach, Fla., and your entertainment at your home in Palm Beach, Fla., was \$1,070.58. I went on to say that from February 5 to February 11, 1956, a trip to Miami Beach, AFL-CIO executive board, you spent \$2,890.15, of which \$1,872 was entertainment; that your hotel room in Florida cost \$54 a day, and you had a cabana for \$50.

We are uncertain from the vouchers how long you spent at your home in Palm Beach. It is a little confusing. The total of the vouchers is \$1,070.58, which includes your trip down, 7 cents a mile, 1,500 miles.

Mr. CROSS. You are unsure I stayed there, but you are sure I spent a thousand dollars while there?

Mr. KENNEDY. Well, I don't know how much you spent.

Mr. CROSS. You said one thousand-some dollars.

Mr. KENNEDY. Those are the vouchers.

Mr. CROSS. May I see them, if it is while I am in Palm Beach or somewhere else?

Mr. KENNEDY. The first one is for February 5 to February 11.

The CHAIRMAN. The Chair hands you a series of vouchers for different items of expense, including one for \$1,000, January 20, 1956; another for \$822.29—I am trying to find the date of it. I am unable to determine the date of it, but that will identify the amount.

There are certain hotel bills. There is an item here of \$1,055.93 covering expenses, apparently, of 4 people.

There is another voucher in the amount of \$115.11.

There is a plane ticket in the amount of \$132.33.

In order to be helpful to the committee, if you can, examine these vouchers, the series I am handing to you now, and state if you identify them as vouchers you submitted for expenditures or expenses that you incurred in Miami Beach in January 1956.

(Documents handed to witness.)

(The witness conferred with his counsel.)

Mr. HARRIS. I take it, Mr. Chairman, you meant, February 1956?

The CHAIRMAN. January or February.

Mr. KENNEDY. February 5 to February 11, I believe.

The CHAIRMAN. February 5 to February 11, all right.

Mr. CROSS. Mr. Chairman, I don't see anything here in reference to Palm Beach.

Mr. KENNEDY. That is he first one. Is there any question about that one?

Mr. CROSS. The only question here, Mr. Chairman, is the fact that they are initialed by me. However, there are 5 or 6 other gentlemen's bills in here which I couldn't identify.

Mr. KENNEDY. We are just talking about your bills individually. We have included just your own bill.

Mr. CROSS. But on my bill, or some of the charges for these other men, such as Mr. Wolffman.

The CHAIRMAN. Well, you paid it.

Mr. CROSS. I wouldn't pay these, sir. That is why I could not identify them. These would be shipped to the international office.

The CHAIRMAN. They were charged on your bill.

Mr. CROSS. Mr. Sims would handle the payment of these.

The CHAIRMAN. Did you pay the hotel?

Mr. CROSS. No.

The CHAIRMAN. It went to the international and was paid there?

Mr. CROSS. Yes, sir.

Mr. KENNEDY. We are giving you credit for all of your bills. When you have something like that, you are much better off. There you have vouchers.

Mr. CROSS. I don't feel bad off under any considerations.

Mr. KENNEDY. We have \$1,800, approximately, of the \$2,890.15, \$1,800 entertainment at Ciro's, the Latin Quarter, et cetera, for which there are no vouchers.

Mr. CROSS. I think, Mr. McClellan, we could save a lot of time if, where there are no attached receipts, and they are my initials on them, they are my vouchers.

The CHAIRMAN. All right. You identify those as having your initials on them?

Mr. CROSS. Yes, sir, but not the hotels. I identify the voucher only. These attached things that you have here, there are some of them I know nothing about.

Mr. KENNEDY. Your hotel bill out of that amount is \$610.63, out of the \$2,800.

The CHAIRMAN. Take the hotel bill out. We will introduce that separately.

I do not want the witness to be confused about it.

If there is anything in there that should not be charged to him, let us eliminate it.

You take those vouchers and pick out the ones which should be charged to you.

(The witness conferred with his counsel.)

Mr. CROSS. What do you mean by charging to me, sir?

The CHAIRMAN. Well, that you are accountable for, responsible for.

Mr. CROSS. I have identified the voucher and the hotel bill, the one that is in my name, without the other charges of the other men, is my bill.

The CHAIRMAN. It shows on the face of it what part was to the other men, does it not?

Mr. CROSS. I would have to go through it, because it is scattered through the bills.

The CHAIRMAN. I understand, but the items as charged, where charged to other men, the bill would show it, would it not?

Mr. CROSS. I am sorry, sir, but either I am confused, or the chairman is. It says Mr. James Cross and then it says Earl Wolffman, if I have to go through it, \$229 for his room.

The CHAIRMAN. Did you pay for his room?

Mr. CROSS. You are asking me that, and this bill went to Washington.

The CHAIRMAN. Well, all right. His room was charged on your bill, is that right?

Mr. CROSS. According to this. I want it known that I didn't spend that type of money, that it was for 5 or 6 other people all the time.

There are several hundreds of dollars of long distance calls on this telephone bill.

The CHAIRMAN. On the hotel bill?

Mr. CROSS. Right.

The CHAIRMAN. Well, the hotel bill shows that, does it not?

Mr. CROSS. Yes, but I think it is unfair to me to say six hundred dollars-and-some worth of hotel bills and then not say that that there are long distance calls for business of this organization and 3 or 4 other men are charged to my bill.

The CHAIRMAN. I do not know how you handled it.

We are trying to find out.

Mr. CROSS. I had the bill shipped to Mr. Sims in Washington, D. C., and he sent a check for it.

The CHAIRMAN. The hotel bill was made out to you, is that correct?

Mr. CROSS. Yes, sir, I registered in.

The CHAIRMAN. All right.

Mr. KENNEDY. The expenses there are \$2,819.15, of which the hotel bill, we figured, was \$610.53, among the items in the hotel bill, is that right?

Mr. CROSS. I show on my recapitulation \$1,872.29.

Mr. KENNEDY. Including the hotel bill?

Mr. CROSS. Not including the hotel bill, because I don't put in vouchers for that. It goes direct to the organization.

The CHAIRMAN. These may be made exhibit 56, and these do not include the hotel bills. As I understand it, that is all that is in controversy. On the hotel bill, the expenses of some others are charged to your account at the hotel.

(Documents referred to were marked "Exhibits 56" and may be found in the files of the select committee.)

Mr. KENNEDY. We included air travel, and automobile rental.

Mr. CROSS. I think, Senator McClellan, it might be nice to point out that I did not pick the hotel or time of year. It was Mr. Meany and Mr. Schnitzler who picked that hotel at that time. I only stayed there to be with the council.

Mr. KENNEDY. Did they pick the cabana, too?

Mr. CROSS. The cabana is always used for anyone that is there. They also have cabanas. That is a common practice.

The CHAIRMAN. These 2 vouchers, do you identify those, the 2 the Chair hands you for Palm Beach, \$530.95 dated February 26, 1956, and the other in the amount of \$539.63, dated March 14, 1956?

I ask you to examine them and see if you identify them.

(Documents handed to witness.)

(The witness conferred with his counsel.)

The CHAIRMAN. On identification by the witness, the vouchers shall be made exhibits No. 57-A and B, respectively.

(At this point, Senator McClellan withdrew from the hearing room.)
(Members present at this point: Senators Ervin, Mundt, and Curtis.)

Mr. KENNEDY. All right.

(The witness conferred with his counsel.)

Mr. KENNEDY. Are those vouchers accurate?

Mr. CROSS. I was checking. Both of these vouchers are, with the exception of the name that is written on the voucher of March 14, 1956—I wouldn't deny it, Mr. Kennedy, but neither would I agree to it. The one on February 26 is mine, it is my handwriting and signed by me.

Mr. KENNEDY. What are the two?

Mr. CROSS. One is for \$530.95.

Mr. KENNEDY. And the other is for how much?

Mr. CROSS. The other is during the Miami Beach session of March 14. The March 14, 1956, date is not mine, was not mine, was not written by me, my name was not written by me, and it is not approved by me in the normal place.

Mr. KENNEDY. How much is that?

Mr. CROSS. \$539.63.

Mr. KENNEDY. Did you do any of the things it says there?

Mr. CROSS. Yes, I did, because I remember meeting with the Cleveland health and welfare trustees at this particular time.

Mr. KENNEDY. Vouchers were submitted under your name, anyway, for entertainment in Palm Beach for \$1,070.58, is that right?

Mr. CROSS. For a period of approximately a month.

Mr. HARRIS. Mr. Kennedy, I do not like to interject but I am sure you want the accurate facts here. On the face of the vouchers, it appears that that is not entertainment. There is mileage to GEB, which I believe stands for "general executive board."

Mr. KENNEDY. I think I went through this.

Mr. HARRIS. That amounts to \$73.50. Motel charge, and a food charge.

Mr. KENNEDY. How much is the motel?

Mr. HARRIS. \$8. And then there are entertainment charges.

Mr. CROSS. I think it is well to note that on the motel charge, I drove from Washington to Palm Beach with one motel charge only.

Mr. HARRIS. The total is not entertainment. I think it should be put in accurately.

Mr. KENNEDY. I appreciate the correction.

(Documents referred to were marked "Exhibits 57-A and B," for reference and will be found in the appendix on pp. 3200-3201.)

Mr. KENNEDY. I wonder if we can put these records on with a staff investigator, and Mr. Cross can examine them as we are putting them on. If there is a correction, he can make it then, and we will get through these much quicker, particularly as he stated that the vouchers with his name on them would be accurate.

Senator MUNDT. It is satisfactory to me, but would it be satisfactory to Mr. Cross?

Mr. CROSS. I do not understand what he said.

Mr. KENNEDY. We will put a staff investigator on to go through the rest of the records that we have.

Mr. CROSS. That is not fair. You get a rest and I don't.

Mr. KENNEDY. I do not understand.

Mr. CROSS. I am just kidding.

Mr. KENNEDY. Is that all right?

Mr. CROSS. It is all right with me, if that is what you want.

Mr. HARRIS. We will be able to examine each voucher I take it?

Senator ERVIN. I am certain that if you want to rest, temporarily, the committee would grant you that privilege.

Mr. CROSS. I am at the discretion of the committee, sir.

Senator ERVIN. I know all of us get tired.

TESTIMONY OF GEORGE M. KOPECKY—Resumed

The CHAIRMAN. You may proceed.

Mr. KENNEDY. We talked about the ones down until March 5 to 23, a trip to Miami Beach for the general executive board. As I believe the record shows, the total was \$4,834.21.

Mr. KOPECKY. That is correct.

Mr. KENNEDY. And the hotel room at that time was \$44 a day?

Mr. KOPECKY. \$44 a day for the hotel room.

Mr. KENNEDY. And there were 6 cabana charges for \$50, for a total of \$300?

Mr. KOPECKY. That is correct.

Mr. KENNEDY. And there was an air ticket, was there not, paid by local 37, for Miss Kay Lower?

Mr. KOPECKY. The records of local 37 indicate that a check was made payable to the airline, and that one of the tickets covered in this check was an airline ticket for American Airlines, ticket No. 389964, in the amount of \$252.34.

TESTIMONY OF JAMES G. CROSS, ACCOMPANIED BY HIS COUNSEL, ABRAHAM J. HARRIS—Resumed

Mr. KENNEDY. Was Miss Kay Lower in Miami Beach at that meeting?

Mr. CROSS. I was not paying any attention.

Mr. KENNEDY. Was Kay Lower ever in Miami Beach, Fla.?

Mr. CROSS. Yes, sir.

Mr. KENNEDY. Were you discussing the Van de Kamp Bakery at that time with her?

Mr. CROSS. We were discussing more than that at that time, sir.

Mr. KENNEDY. In March 1956?

Mr. CROSS. Yes, sir.

Mr. KENNEDY. What else were you discussing?

Mr. CROSS. We were discussing the inner union political fight in local 37 at that particular time.

Mr. KENNEDY. You were discussing that with her?

Mr. CROSS. Yes.

Mr. KENNEDY. She had had some experience in inner union fights?

Mr. CROSS. I wouldn't say. I wouldn't know.

Mr. KENNEDY. Did you bring her from the west coast to get her advice on that matter?

Mr. CROSS. It was very important.

Mr. KENNEDY. Thank you. And the union paid her hotel in Miami Beach at that time?

Mr. CROSS. I don't know. You are asking. Have you got records of it?

Mr. KENNEDY. Would that be the procedure that you would follow?

Mr. CROSS. If she was there at that time, and you are asking me awfully fast, if she was there at that time, I recall her being there in February or March of 1956, and we did discuss the Los Angeles local-union political situation, and she discussed it with Mr. Nelson and Mr. Stuart and myself.

Mr. KENNEDY. Where is Mr. Nelson stationed?

Mr. CROSS. Los Angeles.

Mr. KENNEDY. So, both of them had to come from Los Angeles to Miami Beach to discuss the political situation in Los Angeles?

Mr. CROSS. Yes, sir.

Mr. KENNEDY. Mr. Chairman, could we have those records made a—

Senator MUNDT. That will be made exhibit No. 58.

(The document referred to was marked "Exhibit No. 58" for reference and may be found in the files of the select committee.)

Senator MUNDT. This lady, Miss Lower; is she an official of the Los Angeles union?

Mr. CROSS. No, sir.

Senator MUNDT. What connection did she have with the Los Angeles union?

Mr. CROSS. She was a special organizer for the international union in Los Angeles.

Senator MUNDT. And had she organized the specific union that was having the difficulty?

Mr. CROSS. No, sir.

Senator MUNDT. I am trying to determine why she would come in with Mr. Nelson. Is he the president of it?

Mr. CROSS. No. He is an international organizer.

Senator MUNDT. And she is what?

Mr. CROSS. She is a special international organizer.

Senator MUNDT. What was her connection with this local union that was in trouble or in controversy?

Mr. CROSS. Her connection?

Senator MUNDT. And his?

Mr. CROSS. He is assistant trustee of the local union.

Senator MUNDT. What was her connection?

Mr. CROSS. Her connection was none, except on special assignment as given by John Nelson.

(At this point, Senator Ervin withdrew from the hearing room.)

Senator MUNDT. Had he given her some special assignments in connection with that union?

Mr. CROSS. As I understand, he had, and we discussed it in Miami at this particular time.

Mr. KENNEDY. That is broken down, that \$4,834.21, and at one time an advance of \$1,000, a second advance of \$1,000, payment to you for mileage, motel, and food, \$121.53; your hotel bill at the Monte Carlo

Hotel included a \$500 advance in cash, and the charge of the room being \$44, and 6 charges of \$50 for cabanas, total \$2,313.01.

Automobile rental, which, of course, you have some evidence of, is \$223.78. Miscellaneous restaurant charges, \$60.30. Additional expenses for entertainment, gratuities, \$169.59, and then from Miami, in addition to uncovering the fact that there was this ticket paid for Kay Lower to come to Miami, for \$252.34, she evidently returned to Los Angeles and there was a \$200 check, or \$200 money order, sent to her by Western Union which evidently you approved.

What was that for, the \$200 advance?

Mr. Cross. I don't know. I don't know the dates you are talking about.

Mr. KENNEDY. Do we have that telegram? Do I have it?

(At this point the chairman entered the hearing room.)

Mr. KENNEDY. Are you familiar with that, the \$200?

Mr. Cross. No. I think you should let me see what it is.

Mr. KENNEDY. I will. I am trying to expedite this. I thought you were familiar with this. We discussed it before at the hearings.

Mr. Cross. We did?

Mr. KENNEDY. Not you.

Mr. Cross. I haven't been here.

Mr. KENNEDY. This is already an exhibit?

The CHAIRMAN. The chair presents to you what purports to be a Western Union money order to Mrs. E. K. Thorpe, in the amount of \$200, which has already been made exhibit No. 26 to the testimony in these hearings.

I will ask you to examine it and see if you identify it or have any knowledge of it?

(The document was handed to the witness.)

(The witness conferred with his counsel.)

Mr. KENNEDY. This was evidently sent prior to the time that she arrived in Miami Beach, because it was received on March 5, and the convention didn't start until March 5.

Do you have any knowledge of that, that \$200 that was sent?

Mr. Cross. Not from this record, sir.

Mr. KENNEDY. Did you know that was being done?

Mr. Cross. I just said I don't know from this record. This is George Stuart.

Mr. KENNEDY. Do you remember that incident at all, sending \$200 to her?

Mr. Cross. I just said I didn't.

Mr. KENNEDY. No, you said from this record you do not. Do you know from refreshing your recollection about \$200 being sent to her?

Mr. Cross. This was sent by Stuart.

Mr. KENNEDY. Would you answer the question? Do you remember at all about the \$200 being sent to her? Do you remember it?

The CHAIRMAN. The question is: Did you have any knowledge of that transaction?

Mr. Cross. Senator McClellan, I am trying. These are transactions that are to me old and minor transactions. I am sure, and this is what I am trying to get to, that if Mr. Stuart sent this Western Union wire, there must be some more official papers in this international union, if I approved it.

The CHAIRMAN. All right. Will you check and see if you approved it?

Mr. CROSS. I am sure the committee has it, Mr. McClellan.

Mr. KENNEDY. Has it?

Mr. CROSS. Has any vouchers if I approved it.

Mr. KENNEDY. Then are you familiar with it?

Mr. CROSS. I am not. I say if I approved it.

The CHAIRMAN. I hand you now what purports to be a photostatic copy of a statement of expenses, the statement of George Stuart, for a period March 5. It does not show the year. In this, it shows a \$200 item wired to Los Angeles Strike Activities. See if you can, from this document, identify the expenditure.

(At this point, Senator Mundt withdrew from the hearing room.)

(The document was handed to the witness.)

(The witness conferred with his counsel.)

(Those present at this point in the hearing: The chairman and Senator Curtis.)

Mr. CROSS. On this, Mr. McClellan, this is an expense statement of George Stuart's which I approved, but it doesn't refresh my memory to the point that this ties in with the \$200 Western Union wire that Mr. Kennedy just gave me, because this says different.

The CHAIRMAN. Let us see if the wire was for one thing and the charge on the book was for another.

(The witness conferred with his counsel.)

Mr. CROSS. The definite thing we can be sure of is that this voucher is approved by myself and Mr. Sims. There is an item here which says \$200 wired to Los Angeles Strike Activities, and the cost of the wire is \$4.02.

If we go in for assumption and assume this wire cost \$4.02, and it was for \$200, from that I would assume it was the same. I approved this voucher, but this I have never seen before.

The CHAIRMAN. When you approved that voucher, did you have any supporting voucher for it? That is just an expense statement.

Mr. CROSS. I don't know if I had at that time or not, sir. This is how they are usually put in. If they don't have an O. K. they then come to us and get an O. K., either Sims or myself.

The CHAIRMAN. You can't identify the \$200 as being the same item?

Mr. CROSS. I just can't remember whether it is. It isn't tied close enough together for me.

The CHAIRMAN. In other words, your bookkeeping doesn't show it either way?

Mr. CROSS. No. It seems to me that this is a Western Union wire for \$200, and this is an expense wired to the Los Angeles strike situation or activity, and it is O. K.'d by me.

The CHAIRMAN. Where was the \$200 Western Union wire sent?

Mr. CROSS. It was sent to Mrs. E. K. Thorpe.

The CHAIRMAN. Los Angeles?

Mr. CROSS. Yes, sir.

The CHAIRMAN. What is the date of the two? Are they dated the same?

Mr. CROSS. March 5, and this says March 5; no year on this one. There is on one. I am not denying it. I am saying if it is circumstantial evidence, it is certainly the same. They cost the same amount,

to the same place, to the same city, except that they are addressed wrong.

The CHAIRMAN. Except what?

Mr. CROSS. They are not listed right. If I was listing the voucher, I would put in what it was for. Evidently Stuart didn't.

The CHAIRMAN. So we will blame Stuart for that?

Mr. CROSS. No; blame Sims or I for not catching it.

The CHAIRMAN. That may be made exhibit No. 59.

(The document referred to was marked exhibit No. 59 for reference, and will be found in the appendix on p. 3202.)

Mr. KENNEDY. Mr. Chairman, just to clear up something that went on earlier, there was a question about the rooms at the Hotel Ottumwa, and about whether they were connecting. We had someone check the rooms, go up to 618 and 620.

You will be glad to hear that 618 and 620 do connect; there is a door between them; 616 does not connect.

Mr. CROSS. Proving what?

Mr. KENNEDY. Nothing. You were unclear in your recollection as to how the hotel rooms were.

The CHAIRMAN. The witness testified that the rooms did not connect, and there was no door between them a few minutes ago.

Mr. CROSS. To my recollection, that is right. One does not have and one does have; is that right?

Mr. KENNEDY. Your room, 618, and Miss Lower's, 620, connected, and your room and Mr. Nelson's, 616, did not.

Mr. CROSS. Where was his?

Mr. KENNEDY. You were in 618 and Miss Lower was in 620, which connected; 616 does not connect with 618.

The CHAIRMAN. If we are wrong in that, you check.

Mr. CROSS. I have a deep respect for your investigators.

The CHAIRMAN. Thank you.

Proceed.

Mr. KENNEDY. Could we have the vouchers?

Again, so that we get the record clear, it is for transportation, automobile rental and hotels, making a total of \$4,834.

(The documents were handed to the witness.)

(The witness conferred with his counsel.)

Mr. KENNEDY. There was a trip April 20 to April 24, for \$1,474.05.

Mr. HARRIS. Excuse me, Mr. Chairman. I do not see how Mr. Cross can be expected to examine the vouchers with any care at all and listen to further questions and answers.

The CHAIRMAN. We will suspend further questioning until Mr. Cross has had opportunity to examine the vouchers.

Mr. HARRIS. Thank you.

Mr. CROSS. Mr. Kennedy, on it again, what did you say about the hotels?

Mr. KENNEDY. It is all there in the voucher.

Mr. CROSS. But there are 22 people in this hotel at this time, and most of the bills are here charged on mine.

The CHAIRMAN. You make any explanation of the vouchers you care to.

Mr. KENNEDY. Mr. Cross, we have charged only your own hotel bill. We have included only that in the \$4,834.21, only your own hotel.

Mr. CROSS. How much is mine?

Mr. KENNEDY. The total of everything is \$4,834.21.

Mr. CROSS. How much is my hotel bill?

Mr. KENNEDY. Don't you have it there in front of you?

Mr. CROSS. I didn't want to take the time of adding it, because there are a dozen of them here.

Mr. KENNEDY. Mr. Kopecky has it.

Mr. KOPECKY. \$2,313.01.

Mr. CROSS. I think on this one, we should take our time and break it down. There are cabanas charged to me, which was for the use of the other 30 men and their wives that were here and they are charged on my hotel bill.

There is also again, several hundreds of dollars worth of long-distance telephone calls, and all the other charges that these men charged to my hotel.

I think in order to get a very fair explanation of it, you will have to give me time to look at it and break it down in its proper form.

(The witness conferred with his counsel.)

Mr. KENNEDY. I might say, Mr. Chairman, we offered over the period of the past 3 weeks to go over all of these matters with Mr. Cross in an interview and that has been denied us.

Mr. CROSS. You did what, sir?

Mr. KENNEDY. We have offered to go over all matters in which we were interested with you over the period of the past 3 weeks and your attorney has not made you available to us.

Mr. HARRIS. Mr. Chairman, in view of Mr. Kennedy's statement, I ask leave to make the record straight as I understand it.

Mr. Cross has been interviewed by the committee staff on, I believe, three occasions. I was not present at any of those. That was before I got into the matter. But so far as I know, these vouchers were not gone over with him at those times, certainly not in any detail.

The invitation that Mr. Kennedy is now referring to was that if we wanted, before Mr. Cross' appearing here, the committee staff would be glad to have sort of a dry run, if you might call it that, of what they intended to bring up at the public hearing. There was no intimation in either time, or, I think, 2 or 3 times it was mentioned, there was no intimation at any one of those times to me that these vouchers were going to be gone into in this sort of pinpricking excruciating detail.

If there had been, we might very well have agreed to sit down and go over them.

The CHAIRMAN. At any rate, as I understand you then, you were told that they would be glad to have a conference with your client to go over the matters they intended to present?

Mr. HARRIS. Yes. We saw no particular reason to do that because in a general way there had been these three prior conferences between Mr. Cross and the committee staff and, as far as we could tell, they had gone over everything that they were going to go over.

The CHAIRMAN. I just wanted to get the record straight. You were invited, but you felt, not having any detailed information as to these vouchers, you did not see any necessity for having a further conference?

Mr. HARRIS. Sir, there was no intimation that there was going to be any request for detailed information from us about these vouchers. We knew the staff had the vouchers, but that they were going to go into them; in this way, however, we did not know.

Mr. KENNEDY. The reason that it interests us so much, Mr. Cross, is that for the year 1956, for instance, your expenses amounted to over \$39,000. According to the records that were available——

Mr. CROSS. You mean the expenses charged against me, not mine.

Mr. KENNEDY. The vouchers that you said you signed amounted to over \$39,000 and there is virtually no support for any of those vouchers, except for your travel and, to some extent, for your hotel room.

Beyond that, at least half of that, at least \$15,000 to \$20,000 of that, is for entertainment for which there are absolutely no bills whatsoever in the record.

For that reason, we are interested and I wanted to give you an opportunity to explain them if you could. We have gone through a number of them already.

Mr. CROSS. I am willing to go through them all, if you are, sir, because they are vouchers that have been approved by this organization. You first said \$39,000 charged against me and then you cut it to \$15,000 or \$20,000.

Mr. KENNEDY. No. Over \$39,000 is charged to you, Mr. Cross.

Mr. CROSS. For transportation and hotels and miscellaneous entertainment expenses?

Mr. KENNEDY. That is correct.

Mr. CROSS. If the books would show that, it would show that. I am sure they are approved vouchers.

Mr. KENNEDY. For instance, the trip to Detroit for James Hoffa's testimonial, 4 days, \$1,474.05; a trip to California, for which there is no reason given, left on the 7th, May 7, came back May 10, \$1,268.95. A trip to Jamestown, N. Y., for 2 days, and Atlantic City for 4 days, \$914.31.

Mr. HARRIS. Mr. Chairman.

Mr. KENNEDY. A trip to New York for pension and trust meeting, 4½ days, \$1,133.21, including \$100.99 which looks like a charge for your daughter. Did you have your daughter up there?

Mr. CROSS. I wouldn't know. You are so far ahead on these things. I thought we were still back in March on the vouchers.

Mr. KENNEDY. Let me go through these.

Mr. CROSS. Let me tell you this, Mr. Kennedy, so that we all understand this. Everyone of these vouchers have been submitted to this international union and have been approved by Secretary-Treasurer Sims, have been approved by the general executive board and by the convention of this international union.

If the method is wrong, then that is something to look into. But the actual fact that the vouchers are in and have been approved is not wrong.

The CHAIRMAN. Let me say this: You do not want to give the implication here that the convention went over all of these vouchers and approved them. They approved the total expense account.

Mr. CROSS. Yes, sir; and they were welcome to——

The CHAIRMAN. As to what Mr. Sims may have done, insofar as he acted in an official capacity in doing these things or otherwise, the

committee is interested in it. But you can appreciate that you get a salary of \$17,500 and we come along here and find \$39,000 for the year expenses.

It looks like a little bit high expenses. When we go into it, we do not find vouchers for a great deal of it. In fact, most of it we find the charge is entertainment without vouchers to support it, I mean anything to corroborate it other than that you turned in as an expense.

Mr. Cross. Mr. McClellan, I can appreciate your feelings and sentiments as now expressed. However, I think if the total travel time and the total time I spend away from home and the total conventions and conferences that I attend and the amount of expenses I pick up for the people when I meet them in these cities, if it were all included in that and broken down, I don't think the figure would be alarming to anyone.

The CHAIRMAN. Mr. Cross, they may not, and that is why you are here, to try to help us unravel the thing and to point out, maybe, that the system you are using is not such as to give accurate information or the kind of system that will insure some dishonesty from getting by.

Mr. Cross. I am willing to concede in the first place that I am not dishonest.

The CHAIRMAN. I did not say you were.

Mr. Cross. I concede that. Secondly, Mr. Schnitzler, the present financial secretary of the American Federation of Labor, worked under this exact same procedure.

If it's wrong and they desire to correct it, I made an opening statement that I would be more than happy to put in procedures which will tighten up, if that is what is necessary, any of the things that either this committee or the AFL-CIO feel are wrong.

The CHAIRMAN. Let me say this to you. I am not an accountant.

Mr. Cross. Neither am I.

The CHAIRMAN. But if there is to be an accurate record kept of these large expenditures and I think you concede they are large on their face—

Mr. Cross. I don't concede that, sir.

The CHAIRMAN. \$39,000 would not look like a large expense?

Mr. Cross. Not when you take in my airline travel of over 100,000 miles in this last year.

The CHAIRMAN. What I am pointing out is that the \$39,000 expense item on its face looks large. I did not say there was not a proper explanation for it. I do not know. That is what we are trying to find out.

If you have vouchers for these things, if you have corroborating evidence, bills that account for it, that is what we want to find out. There may be some proper explanation for most of it or all of it. There may be some that there is not.

We are just trying to plod along here and get the information because I think that unions should make a full and proper accounting by the records, of the way they use and expend the money of people who work and pay dues.

Mr. Cross. I think everyone should do that, business, too.

The CHAIRMAN. Well, I do not think anyone contends that business should not.

Mr. CROSS. We both agree on that.

The CHAIRMAN. Do we agree that you should do a little better, too?

Mr. CROSS. If I have done wrong I told you that—

The CHAIRMAN. I am talking about this system.

Mr. CROSS. If the system is wrong, it can be corrected.

The CHAIRMAN. Do you think it is wrong?

Mr. CROSS. I now have men investigating to find out if it is or not. This system has been approved by the Scovell and Wellington people.

Mr. KENNEDY. But it has always been the procedure that nobody submits a bill; is that right?

Mr. CROSS. No.

Mr. KENNEDY. That you can go into Cires or any place and say that you spent a thousand dollars there and just send in an expense account for \$1,000?

Mr. CROSS. You can't just say it. You spend it.

Mr. KENNEDY. What do you do?

Mr. CROSS. You spend it.

Mr. KENNEDY. What?

Mr. CROSS. I wouldn't just say it. I would spend it.

Mr. KENNEDY. What if you had somebody that was dishonest?

Mr. CROSS. We have never had that.

Mr. KENNEDY. What if you had someone?

Mr. CROSS. I wouldn't know. I have never faced that situation.

Mr. KENNEDY. Could a business agent go into Cires and spend \$552 and then send in a voucher for it?

Mr. CROSS. Not to us. His local union would have paid for it. That would have been an appropriate question to ask some of the other witnesses.

Mr. KENNEDY. Is that the procedure you encourage?

Mr. CROSS. I don't encourage it. The local unions audit their own books by certified public accountants.

The CHAIRMAN. Proceed to interrogate him.

Mr. CROSS. Mr. Chairman, I have offered to Mr. Kennedy that wherever my signature appears on these vouchers, and where Mr. Sims approved the vouchers, they carry substantiating evidence or not. That would save the committee a lot of time.

Mr. KENNEDY. You went to Cleveland for 21½ days, June 29 to July 1, for a testimonial dinner for yourself? Did they have a testimonial dinner for you out there?

Mr. CROSS. Yes, sir.

Mr. KENNEDY. You took a \$500 advance for that trip and then submitted your expenses as being \$142.39 and the air transportation was \$43.56 and you got a total of \$685.95. You did not even begin to account for the \$500 that you took originally. There is not even this yellow sheet for the \$500. There is absolutely nothing.

Mr. CROSS. Show it to me, and we will see what happened to it. You know, these have been in the possession of Mr. Sims and you for many more months than they have me.

The CHAIRMAN. Mr. Sims has had no connection with this committee so far as its official work.

Mr. CROSS. No, sir. I said he had them before you.

The CHAIRMAN. He was under you; was he not?

Mr. CROSS. It is too bad he wasn't.

The CHAIRMAN. Was he not?

Mr. CROSS. No. He has his own official constitutional duties without recognition of the president; it is stated in the constitution.

The CHAIRMAN. You have a constitutional duty to make a proper accounting; do you not?

Mr. CROSS. He does it for me. It states in the constitution.

The CHAIRMAN. I do not think he has a responsibility for making accurate reports of your personal expenditures. I think the first responsibility falls upon you to do that.

Mr. CROSS. Yes, sir; and they are not my personal. They are the union's.

The CHAIRMAN. They may have been proper union expenses, but they were incurred by you.

(The witness conferred with his counsel.)

Mr. CROSS. Mr. Kennedy, on a fast look at it so that we do not hold up time, I think you will find that there must be, in some of all these loose vouchers, the same regular procedure that I always followed in accounting for every advance that I got.

It does not appear here, but you can't hold me responsible for it not being on here because they have been out of this international office for months.

Mr. KENNEDY. It was not on there when we received them.

Mr. CROSS. Isn't this the only one that you found?

Mr. KENNEDY. It is \$500 that you received in advance and you give an accounting of some of the money and you received the rest of that, making a total of \$685.95.

Mr. CROSS. Which might appear on some other voucher at a later time.

The CHAIRMAN. What do your records show about it? Go to your records and see what they show.

Mr. CROSS. Incidentally, Mr. Chairman, these records are taken from these that the committee had. You see, we went over these roughly in order to break them down. These are the records taken from these vouchers. These were not my own personal records.

Mr. KENNEDY. Let me ask you about another one. We have here for a trip September 6 to September 12, a trip to London and Paris, \$4,261.48.

Mr. CROSS. How much of that is transportation?

Mr. KENNEDY. Have you the breakdown?

Did you go to London and Paris?

Mr. CROSS. Contrary to the newspapers, I went to both places to attend an international union of food and drink workers convention of which I am a vice president.

Mr. KENNEDY. Our breakdown for your room in Paris shows it is about \$80 a day.

Mr. CROSS. I will concede all of that, Mr. Kennedy, if you will tell me what the transportation charge out of that was.

Mr. KENNEDY. Was your wife with you?

Mr. CROSS. Yes, sir, authorized by the union.

Mr. KENNEDY. Your transportation was \$830.74 and her transportation was \$830.74, making a total of \$1,761.48. Was anyone else with you? Was it just the two of you?

Mr. CROSS. My daughter went and paid her own way.

Mr. KENNEDY. Did she pay her own expenses?

Mr. CROSS. Yes, sir.

Mr. KENNEDY. The way this system is set up, you could be paying her expenses as well, could you not?

Mr. CROSS. You assume what you wish, but I didn't.

Mr. KENNEDY. I am not assuming. I say your nonsubmission of your vouchers allows you to do that.

Mr. CROSS. My mind has never traveled that way.

The CHAIRMAN. The Chair interrupts to make the vouchers submitted to the witness which he identified, one for \$500 and one for \$142.39, of June 27 for one and July 3 for the other, exhibits 60 and 60-A.

(The documents referred to were marked "Exhibits Nos. 60 and 60-A" for reference and will be found in the appendix on pp. 3203-3204.)

Mr. CROSS. Mr. Chairman, if I may, on the voucher we are on, on this trip to Paris and London for this conference, I think if you will check it, Mr. Kennedy, you will also find that included in there is a 2- or 3-day trip to Chicago for the AFL-CIO convention, executive officers convention, at the same time, and there are expenses charged off which are charged into this Paris-London trip.

Mr. KENNEDY. Again, the total that we have—may we have the vouchers made exhibits for reference, that is, the vouchers we received from the international?

The CHAIRMAN. Mr. Kopecky, do you have the vouchers for this trip to Paris, to London and Paris that has been referred to?

Mr. KOPECKY. Yes, Mr. Chairman.

The vouchers reflect a total of \$4,261.48 spent during this particular period in September 1956.

The CHAIRMAN. Were they obtained from the files of the international union?

Mr. KOPECKY. They were obtained by a subpoena served on Mr. Sims.

The CHAIRMAN. They were obtained from the files?

Mr. KOPECKY. They were obtained from the files; yes, sir.

The CHAIRMAN. They may be made exhibit No. 61.

(The documents referred to were marked "Exhibits No. 61" for reference and may be found in the files of the select committee.)

Mr. CROSS. May I respectfully say, sir, that there are also expenses included in these vouchers for a New York trip and a Chicago trip in conjunction, and in addition to, the Paris and London convention.

The CHAIRMAN. Let me ask Mr. Kopecky if he finds that to be true.

Mr. KOPECKY. I note from an examination of the records that immediately following the European trip, during the period from September 6 to September 12, and then from September 12 to September 14, there is a trip to Chicago for a general executive board meeting of 3 days, and the expenses in connection with this were \$694.90. So there is a continuity of the period.

The CHAIRMAN. Is that \$600 in addition to the \$4,000?

Mr. KOPECKY. \$694.90 in addition to the \$4,281.48.

Mr. CROSS. I am sorry, but my records disagree with that. I would like to examine it.

The CHAIRMAN. You may.

Mr. CROSS. The only thing in addition is the transportation from Washington to Chicago. Outside of that, the \$480.50 is included.

(The documents were handed to the witness.)

The CHAIRMAN. Let me get the documents into the record that you have taken from the union files, the union records.

Let me get them identified in the record and then we can present them to the witness, Mr. Cross, for his explanation of them.

Mr. CROSS. Mr. Chairman——

The CHAIRMAN. Mr. Kopecky——

Mr. CROSS. Mr. Chairman, on this there must be another voucher, because my records show a Blackstone Hotel, and entertainment on September 12 to September 14 at the same time Mr. Kopecky is talking about, in which there was an item of \$480.50 charged off which would approximate what Mr. Kopecky said with the exception of the airline travel ticket. I am sure there must be a substantiating voucher among all these vouchers. That came out of this four-thousand-some dollars that is charged.

The CHAIRMAN. What the chair wants to do, if it can undertake to do it, is to have all the files now that have not been identified and made separate exhibits up to now.

I will have you testify to them generally and then place them all together so that they can be made exhibits for reference. Then we can interrogate about them after they have already been placed in the record for reference and identified by you, Mr. Kopecky. I am trying to find a way to shorten this and simplify it.

TESTIMONY OF GEORGE M. KOPECKY—Resumed

The CHAIRMAN. Mr. Kopecky, as I understand it, a subpoena was served on Mr. Sims.

Mr. KOPECKY. That is right.

The CHAIRMAN. That was to obtain the records. The documents that you have testified to here that have been made exhibits so far were obtained as a result of the subpoena on Mr. Sims from the international union: is that correct?

Mr. KOPECKY. That is correct.

The CHAIRMAN. You have other records there, other documents, vouchers, evidences of expenditures, that have not been testified to as yet; have you?

Mr. KOPECKY. That is correct.

The CHAIRMAN. And which you obtained from these same records?

Mr. KOPECKY. That is correct.

The CHAIRMAN. Do you have a large number of them?

Mr. KOPECKY. I would say approximately 10 groups.

The CHAIRMAN. Ten groups?

Mr. KOPECKY. Roughly.

The CHAIRMAN. You testify now that those are documents taken from the files of this union?

Mr. KOPECKY. That is correct.

The CHAIRMAN. And relating to expenditures that are charged to Mr. Cross?

Mr. KOPECKY. That is right, Mr. Chairman.

The CHAIRMAN. Those 10 groups may be made exhibits Nos. 62 through 71. Each group will have a separate number. They will be made exhibits for reference. As they are testified to, some of them may go into the record.

The clerk will please number them exhibits 62 to 71.

Mr. KOPECKY. There might be 1 or 2 more.

The first one, No. 62, would be for the period January 4 and 5, 1956, expenses in connection with the testimonial dinner for Vice President Mark Kralstein, totaling \$153.58.

An item in interest in this regard was that the Max Kralstein dinner was actually held in New York on June 23, 1956.

(The document referred to was marked exhibit No. 62 for reference and may be found in the files of the select committee.)

Mr. KENNEDY. Why would you get the advance 6 months earlier, get the money for that dinner?

Mr. Cross. I can't answer from here, but my advances usually come a week or 2 in advance of a trip, and then 3 or 4 months later I may account for the moneys on the advance. I cannot answer you until I see my own records.

Mr. KOPECKY. The next is No. 63, for the period of March 24, 1956, which was an expenditure of \$757.83 to cover expenses in the cost of a birthday party for Frank Hale in the Casablanca Hotel, Palm Beach.

Mr. Cross. Casablanca Restaurant.

Mr. KOPECKY. There is no information of any supporting data to substantiate this.

(The document referred to was marked exhibit No. 63 for reference and will be found in the appendix on p. 3205.)

Mr. KOPECKY. The next one is No. 64, which covers the period from April 20 to April 24, 1956, for advances and expenses in connection with James Hoffa's testimonial dinner in Detroit, and the district council convention. It is an advance of \$500, and initial expenses of \$394.36 for hotel bills, entertainment and transportation. Tickets for the Hoffa dinner, \$300, additional transportation, \$114.03; hotel bills, including a \$30-a-day room and partial food bills, for a total of \$1,474.05. There is a minimum of supporting documents.

The CHAIRMAN. That is exhibit No. 64.

(The document referred to was marked exhibit No. 64 for reference and may be found in the files of the select committee.)

Mr. KOPECKY. The next is exhibit No. 65, for the period May 7 through May 10, expenses for a California trip. Advanced, \$500, additional expenses for gratuities and entertainment, \$376.23, a hotel bill of \$84.54, transportation of \$312.18. Total expenses, \$1,268.95. There are no supporting documents for the advance or the additional expenses for a 2-day period in California.

The CHAIRMAN. That may be made exhibit No. 65.

(The document referred to was marked exhibit No. 65 for reference and may be found in the files of the select committee.)

Mr. KOPECKY. Next is No. 66, for the period May 22-29, 1956, expenses to Jamestown, N. Y., and Atlantic City, N. J., advance of \$500, additional expenses claimed were \$273.73. Hotel bill is \$71.83. Air-line transportation, \$68.75. Total expenses, \$914.31, which included a hotel daily rate of \$46, and covers a period of 1 day in Atlantic City and 3 days in Jamestown.

The CHAIRMAN. That is exhibit No. 66.

(The document referred to was marked exhibit No. 66 for reference and may be found in the files of the select committee.)

You do not have to go into so much detail in identifying them, but just enough so that the records will reflect which group we are talking about.

Mr. KOPECKY. Next is June 20-24, 1956, a 5-day period, total expenses of \$1,133.21, which includes a hotel bill of \$100.99 for James Cross' daughter.

The CHAIRMAN. That will be made exhibit No. 67.

(The document referred to was marked exhibit No. 67 for reference and may be found in the files of the select committee.)

Mr. KOPECKY. Next is No. 68, for the period July 10-14, 1956, a trip to Denver for the Industrial Union Division of the AFL-CIO. There is a total expense of \$1,569.85, which included a cocktail party for \$878, and there is an indication of a hotel bill at the same hotel for a party by the name of Kay Lower, which the record and registration card was charged to Cross' room.

The CHAIRMAN. That will be exhibit No. 68.

(The document referred to was marked exhibit No. 68 for reference and may be found in the files of the select committee.)

Mr. KOPECKY. The next one is for the period of July 15-21, 1956, in Washington, D. C., a birthday party for the past president, \$243.43, plus additional entertainment, gratuities, et cetera, for a total of \$800.77, and there are no supporting documents.

The CHAIRMAN. That will be exhibit No. 69.

(The document referred to was marked "Exhibit No. 69" for reference, and may be found in the files of the select committee.)

Mr. KOPECKY. The next one is No. 70, for the period covering August 6-7, 1956, and then immediately thereafter for the period August 12-15, total expense is \$1,833.07 for a 2-day period in Los Angeles, and 1 day in Mexico City.

The CHAIRMAN. That will be made exhibit No. 70.

(The document referred to was marked "Exhibit No. 70" for reference and may be found in the files of the select committee.)

Mr. KOPECKY. The next is No. 71, for the period from September 12-14, 1956, for expenses of the general board meeting of the AFL-CIO in Chicago, Ill. The total expenses for this period are \$694.90, which included a hotel daily charge of \$58 a day. There are no supporting documents for the miscellaneous expenses, including nightclub, at the Chez Paris, et cetera.

The CHAIRMAN. That is exhibit No. 71.

(The document referred to was marked "Exhibit No. 71" for reference, and may be found in the files of the select committee.)

Mr. KOPECKY. Next is No. 72, for the period October 14-November 5, expenses for the annual convention in San Francisco, Calif. The total is \$10,185.79, which included payment of \$1,650 for hotel quarters; airport, police, and plainclothes detectives; entertainment; 3 cocktail parties, \$4,322, and other items making the total of \$10,000.

The CHAIRMAN. That may be made exhibit No. 72.

(The document referred to was marked "Exhibit No. 72" for reference, and may be found in the files of the select committee.)

Mr. KOPECKY. There are two more.

The next one is \$500 for the period March 7-9, 1957, for the glass bottle-blowers convention in St. Louis. It is noted that Mr. Cross was in Washington defending the charges made by Mr. Sims at this

time. There is no indication of any reimbursement up to the present time.

The CHAIRMAN. That may be made exhibit No. 73.

(The document referred to was marked "Exhibit No. 73" for reference, and will be found in the appendix on p. 3206.)

Mr. KOPECKY. The last exhibit, exhibit No. 74, is for the period of approximately January 1957 through February 1957, in Palm Beach, Fla., Mr. Cross' residence, and Miami Beach, Fla., a total of \$4,431.17, and the daily-room charge in Miami Beach was \$46 to \$54 a day.

The CHAIRMAN. That may be made exhibit No. 74.

(The document referred to was marked "Exhibit No. 74" for reference, and may be found in the files of the select committee.)

Mr. KOPECKY. It is noted that at this particular time, the hotel bill of Mr. Cross reflects a charge made to the hotel bill of \$331.31 on February 2, 1957, and then on the next page deducted from the total amount is the same amount of \$331.31 which indicates that this item is a personal expense.

The determination of that \$331 is that it was the hotel bill of Elsie K. Lower, who transferred from the Bombay Hotel to the hotel where Mr. Cross was residing.

The CHAIRMAN. Is that still part of exhibit No. 74?

Mr. KOPECKY. That is all the same item. That was in Miami Beach, Fla.

TESTIMONY OF JAMES G. CROSS, ACCOMPANIED BY HIS COUNSEL, ABRAHAM J. HARRIS—Resumed

Mr. KENNEDY. Why would that be charged as a personal expense?

Mr. CROSS. I have no idea. I would have to look at it. It may be the organization expense. I don't know. Our attempt was to keep this particular person under cover.

Mr. KENNEDY. What about the Glass Bottle Blowers Association, the \$500 advance that you got for that? Did you go to the Glass Bottle Blowers Association?

Mr. CROSS. I wouldn't know, sir. You would have to remind me when it was.

Mr. KENNEDY. That was March of 1957.

Mr. CROSS. I undoubtedly did not. You just hurriedly threw one at me which I have just been reminded of, so that it shows, because I figure in the record, you said that I took a \$500 advance for Mr. Kralstein's testimonial 6 months in advance. I think you will find that it was to attend an Urban League dinner in New York at the time that the advance was taken. It is minor.

Mr. KENNEDY. It wasn't \$500. They will get that. I just want to finish up one thing. What about the glass-bottle blowers meeting in St. Louis? You got a \$500 advance for that.

Mr. CROSS. Yes, sir.

Mr. KENNEDY. And you didn't go?

Mr. CROSS. Yes, sir.

Mr. KENNEDY. What did you do with the \$500?

Mr. CROSS. I still have it.

Mr. KENNEDY. You are going to return that to the union?

Mr. CROSS. Unless I have other expenses which I turn in for.

Mr. KENNEDY. Do you think, if you get an advance for doing something and you don't do it, that you should return the money to the union?

Mr. CROSS. Of course; unless you spend it for other union activity, and then you charge it off to what you actually spent it for. If I didn't go to the glass-bottle blowers and went to the international general executive board session instead, which I think I did—won't it be around March 3, 5, 6?

Mr. KENNEDY. March 7 to 9.

Mr. CROSS. Right. So I got the advance to go to the glass-bottle blowers in St. Louis, but, instead of that, we got tangled up with this inner union discussion that we have going on, and I came to Washington instead.

Mr. KENNEDY. What did you do with the \$500?

Mr. CROSS. I probably expended it for the board session. It will be all accounted for by vouchers.

Mr. KENNEDY. You accounted for it already by voucher. I would like to get some bills on how you spent this money.

Mr. CROSS. You might like to get some bills, but it is the union I am accountable to, Mr. Kennedy.

Mr. KENNEDY. It says "expenses," and here is this voucher on the matter, January 11, 1956, "Expenses to New York, Kralstein, meals, parking, and miscellaneous, Kralstein testimonial."

Mr. CROSS. That is for the Urban League. It is an Urban League testimonial, where they awarded him a plaque.

Mr. KENNEDY. It is another dinner for Kralstein?

Mr. CROSS. Which he didn't receive any money for.

Mr. KENNEDY. Have you had any testimonial dinners?

Mr. CROSS. Three.

Mr. KENNEDY. Have you received any money?

Mr. CROSS. Yes, sir.

Mr. KENNEDY. How much did you receive?

Mr. CROSS. A Buick automobile in 1948, and between \$10,000 and \$12,000 in 1955, and \$8,800 in 1956, approximately.

Mr. KENNEDY. Did you declare that on your income tax?

Mr. CROSS. I declared the one in 1955. I haven't declared the other, because I got an extension of time from the Internal Revenue Bureau for filing because of the situation that we are in right now.

Mr. KENNEDY. Did you pay an income tax on the \$10,000?

Mr. CROSS. No, sir. I declared it as having received it, but didn't think it was properly taxable.

Mr. KENNEDY. There is one other matter that we brought up, and I would like to have Mr. Kopecky clear it up. On that trip—well, that is all.

Senator CURTIS. Earlier in your testimony, you mentioned one Earl Wolffman. Who is he?

Mr. CROSS. Earl Wolffman, Mr. Senator, is the president and general manager of the United Wholesale and Retail Employees Union, covering the entire State of Michigan.

Senator CURTIS. Where does he live?

Mr. CROSS. He lives in Detroit, Mich.

Senator CURTIS. Are there any other members of his family in the labor movement?

Mr. Cross. I think that Earl Wolfman's brother-in-law is Walter Reuther.

Senator CURTIS. How long have you known Kay Lower, by that name or any other name?

Mr. Cross. My first introduction to her was, to the best of my recollection, in the fall of 1954.

Senator CURTIS. You have known her continuously since that time?

Mr. Cross. Well, yes, if my memory hasn't failed, sir.

Senator CURTIS. And all of your transactions with her have been for union business?

(The witness conferred with his counsel.)

Mr. Cross. I would like, Mr. Senator, because I want to answer your question, to ask you what do you mean by "transactions"?

Senator CURTIS. Everything. All the dealings you have had with her; have they been for union business only?

Mr. Cross. Well, again, you are talking about dealings. What are you talking about?

Senator CURTIS. I think that is quite plain: all the dealings and transactions that you have had with her; have they been confined to union business?

Mr. Cross. I still don't know what you are saying.

Senator CURTIS. I cannot make it any plainer.

(The witness conferred with his counsel.)

Mr. Cross. Mr. Senator, on the question, if you are talking about the expenditure of funds of this organization—

Senator CURTIS. I am talking about all of the dealings, transactions, conversations, contacts; your entire dealings with Kay Lower; have they been for any other purpose than union business?

(The witness conferred with his counsel.)

Mr. Cross. Well, Mr. Chairman, I would like to answer the question this way: It seems to me, if that is what the honorable Senator is asking, this connects with my opening statement under oath to you in which I cannot find that this question is pertinent to the scope of this investigation as outlined by the Congress of the United States, and I, therefore, respectfully decline to answer.

Senator CURTIS. You have had dealings with her that are not pertinent to this investigation?

Mr. Cross. I give you the same answer, sir.

Senator CURTIS. Has she ever been employed to perform any illegal acts for the union that you represent?

Mr. Cross. The answer is "No."

Senator CURTIS. Has she ever performed any illegal acts for the union?

Mr. Cross. In my presence, no.

Senator CURTIS. Now, I call your attention to her testimony when she appeared before this committee.

Mr. Kennedy said:

Well, then, do you know Mr. James Cross?

Miss LOWER. I refuse to answer on the grounds my answer may tend to incriminate me.

Mr. KENNEDY. Have you known him for a long time?

Miss LOWER. I refuse to answer on the grounds that my testimony may incriminate me.

Mr. HARRIS. What page are you reading from, Senator?

Senator CURTIS. 447.

Mr. KENNEDY. When you traveled, Miss Lower, did you have your bills paid for by the International Union?

Miss LOWER. I refuse to answer on the grounds that my testimony may incriminate me.

If she had performed no acts for the union in violation of law, what were the facts that caused her acquaintance with you to incriminate her?

(The witness conferred with his counsel.)

Mr. CROSS. Mr. Senator, my answer is that would be that it is undoubtedly her answer and her conclusion. You will have to ask her.

Senator CURTIS. All right, I am asking you.

Mr. CROSS. I can't answer for her. I told you before that in my personal presence she did no illegal acts for this organization.

Senator CURTIS. Yes. Now if her acquaintance with you would incriminate her and it did not involve the union, what did it involve?

Mr. CROSS. I don't know. She answered. I can't read her mind.

Senator CURTIS. I am asking you.

Mr. CROSS. I don't know.

Senator CURTIS. Awhile ago, you refused to testify on the grounds it was not pertinent to this inquiry.

Mr. CROSS. You asked a different question, sir.

Senator CURTIS. You do not deny that there were acts that would incriminate her?

(The witness conferred with his counsel.)

Mr. CROSS. I can't answer for her. She answered the question.

Senator CURTIS. I am asking you.

Mr. CROSS. I don't know.

Senator CURTIS. You do not know.

Mr. CROSS. I don't know what would tend to incriminate her.

Senator CURTIS. When someone is asked if they know you and they state that it would incriminate them to answer, you should be able to give some information about it.

(The witness conferred with his counsel.)

The CHAIRMAN. Are there any other questions?

Mr. HARRIS. Would you pardon me, sir? I am trying to advise my client.

(The witness conferred with his counsel.)

Mr. CROSS. Mr. Senator, I will answer your question again in this way, the same way I did before. If the question is did she ever commit an illegal act for this union, the answer is no. If you are asking for anything past that particular part, as far as she is concerned, then I don't consider it pertinent to the scope of the investigation of this committee.

Senator CURTIS. So you refuse to answer about any acts other than those that related to the union?

Mr. CROSS. Yes, sir.

Senator CURTIS. On the top of page 452, Mr. Kennedy said:

We find from a review of the records, and that is why I asked the question, in the bakers' convention, that you attended quite a number of the bakers' conventions. What were you doing there?

Miss LOWER. I refuse to answer on the grounds that my testimony might incriminate me.

What was she doing at these conventions that would incriminate her?

Mr. Cross. Well, in the first place, sir, I would have to know what conventions we are talking about, the times and places, whether or not I was there, and then I would attempt to answer your question.

Senator CURTIS. I will confine it to those conventions where you were present. What was she doing there?

Mr. Cross. I have only been at one convention where she was, and she was there in Ottumwa, Iowa, to report on the Van de Kamp and Golden Crust situation.

Senator CURTIS. That was the only convention?

Mr. Cross. Well, there was a conference. There was the Pacific coast, Portland, that she was at.

Senator CURTIS. And there was some sort of meeting at Miami Beach?

Mr. Cross. Not a convention.

Senator CURTIS. And New York City.

Mr. Cross. New York City, a convention?

Senator CURTIS. You were in New York City at the same time she was there, were you not?

Mr. Cross. Yes, sir.

Senator CURTIS. And Denver, Colo.?

Mr. Cross. Yes, sir.

Senator CURTIS. Mr. Kennedy asked her:

Were your expenses paid for by the bakers' union?

Miss LOWER. I refuse to answer on the grounds that it may incriminate me.

Mr. Cross. I think, Mr. Senator, you will allow me to say in view of the questions interposed by Mr. Kennedy, that the question was bakers' convention, and these that you asked about in New York City and in Denver were not bakers' conventions. That is why I answered only Portland and Ottumwa. I want to be correct on this.

Senator CURTIS. Mr. Kennedy went on to say:

Were you paid anything besides your expenses by the bakers' union?

Miss LOWER. I refuse to answer on the grounds that my answer may incriminate me.

What was she paid for by the bakers' union that would incriminate her?

Mr. Cross. I don't know, sir. She will have to answer that.

Senator CURTIS. Are you sure you do not know?

Mr. Cross. Of course. She was paid for work for this organization. I can't think for her.

Senator CURTIS. But you were in Denver at the same time she was there?

Mr. Cross. Yes, sir.

Senator CURTIS. Mr. Kennedy asked her, on the same page:

Have you ever been to Denver, Colo.?

Miss LOWER. I refuse to answer on the ground that my answer may intimidate—

I take it she means incriminate.

Mr. Cross. She might mean both.

Senator CURTIS. What was about her going to Denver that would incriminate her?

Mr. CROSS. I respectfully offer, sir, that you will have to ask her.
Senator CURTIS. We did.

Mr. CROSS. Well, I can't answer for her.

Senator CURTIS. You can't answer.

Mr. CROSS. Of course not.

Senator CURTIS. You sent for her and arranged for her to attend each one of these meetings, did you not?

Mr. CROSS. You will have to be specific on the meetings. There are some meetings she might have attended which I didn't send for her for.

Senator CURTIS. But you did for some?

Mr. CROSS. I did for some.

Senator CURTIS. She said she cannot tell about them because it would incriminate her.

What did you have her do in those cities, or any one of them that would incriminate her?

(The witness conferred with his counsel.)

Mr. CROSS. I would like to say, again, Senator, that as far as the international union is concerned, any activities that she engaged in and was paid for by the international union, there was nothing illegal about it. As far as any other of her activities, I again respectfully offer that it is not within the scope of this investigating committee and, therefore, I refuse to answer.

Senator CURTIS. It may be within the scope.

Mr. CROSS. We then are in disagreement.

Senator CURTIS. Was she paid by union funds for any activity other than union work?

Mr. CROSS. I have already answered that, sir.

Senator CURTIS. I want you to answer it now.

Mr. CROSS. I am again saying that as far as the work performed for this organization she was paid for, and nothing else.

Senator CURTIS. She was never paid any money or expenses for anything other than union employment?

Mr. CROSS. I will answer for myself. No.

Senator CURTIS. What do you mean by that?

Mr. CROSS. I can't answer for anyone else.

Senator CURTIS. You mean so far as the money that you paid her?

Mr. CROSS. Right.

That the organization paid her, not that I paid her.

Senator CURTIS. On page 461:

The CHAIRMAN. The Chair is ordering you to answer. Did you receive any other money from Mr. Cross?

She answered, "Yes."

What all have you given her money for?

Mr. CROSS. I have already told the committee, and I will say it again, I gave her money from the organization for the organizing of the Van de Kamp and the Golden Crust workers.

Senator CURTIS. And for nothing else?

Mr. CROSS. And for nothing else.

Senator CURTIS. And was the amount of money that you gave her, and the amount of expenses that you paid her, at an agreed rate of pay?

Mr. CROSS. No, sir.

Senator CURTIS. Was it paid on the fair and reasonable value of her services?

(The witness conferred with his counsel.)

Mr. Cross. Her services to the organization you are talking about again?

Senator CURTIS. Everything she got paid for.

Mr. Cross. Well, I don't know what everything she got paid for. All I know is what she got paid for, for this organization. I will tell you again, Senator, I am willing in front of this committee, as I stated yesterday, I am willing to speak and talk to this committee and answer all questions within my ability to do so.

It was never my intention at any time, although the contrary opinion seemed to get out, to ever take the fifth amendment in front of this organization. I told the chairman very frankly that I would answer all questions that I felt, and were, pertinent to this investigation.

I am again saying that to you, sir. When you ask questions pertinent to this organization and to this investigation, I will be more than willing to answer. Outside of that, I will decline to answer.

Senator CURTIS. And you consider your personal dealings with this woman as not pertinent?

Mr. Cross. I never said I had any personal dealings with her, sir.

Senator CURTIS. All right, what dealings did you have?

Mr. Cross. I had business dealings with her from the local union and international.

Senator CURTIS. Did you have any other dealings with her?

Mr. Cross. That, again, I respectfully say, sir, is not pertinent to the scope of this investigation.

Senator CURTIS. Is it not pertinent because it was personal?

Mr. Cross. It is just not pertinent.

Senator CURTIS. Why?

Mr. Cross. Because it is not within the scope of the authority granted to you, Senator, by the Congress of the United States.

Senator CURTIS. I think it is, if union funds were involved.

Mr. Cross. The union—

Senator CURTIS. Did you ever pay her any money or expenses other than union funds?

Mr. HARRIS. Senator, may I interject a moment? Mr. Cross has already testified here that he paid—that the union paid her only for union work. Mr. Cross has also testified that he never paid her anything else.

Mr. Cross has said that any question going beyond the scope of the committee he regards as not pertinent and will not answer.

Senator CURTIS. Now, if by your own statement, all the pay that she received was union money, it makes the scope of her dealings pertinent to this inquiry. She says that her acquaintance with Mr. Cross—to tell about that would incriminate her.

Mr. HARRIS. Senator, I certainly don't want to get into the position of arguing with the Senator, but what this Miss Lower had in mind in terms of what might incriminate her is something that I cannot imagine and that Mr. Cross cannot imagine.

I do not know whether the Senator can imagine. This is something in her mind, in her conscience, between her and her counsel. I don't see how you can expect a witness to tell you why somebody else is invoking the fifth amendment.

Senator CURTIS. Mr. Cross seems to know, and he says it is not pertinent to our inquiry.

Mr. Cross. I did not say I seemed to know.

Senator CURTIS. You refused to answer on that basis.

Mr. Cross. I don't know.

Senator CURTIS. That was not your answer. There was testimony here about a ring. I believe some funds for its purchase were traced to union funds. Mr. Kennedy asked her, on page 459:

Mr. KENNEDY. Were you supposed to give the ring to Mr. Cross?

Miss LOWER. I refuse to answer on the grounds my answer might incriminate me.

What was there about that ring transaction that would incriminate her?

Mr. HARRIS. Before Mr. Cross answers that, may I just say one more thing, Senator? Mr. Kennedy before, I believe, or possibly Mr. Kopecky, I forget which, read off what purported to be a police record of Miss Lower's and was questioning—I believe it was Mr. Kennedy—and was questioning Mr. Cross as to whether he knew about this police record.

Apparently, if this police record is so, apparently at some time or times in Miss Lower's life she has committed various crimes. That being so, she might very well invoke the fifth amendment right down the line. I don't know, for fear of getting into those crimes, possibly, or other crimes.

Senator CURTIS. Would the fear of those crimes be divulged in answer to a question of whether or not she knew Mr. Cross?

Mr. HARRIS. Senator, you know as well as I that a person who decides to take the fifth amendment is well advised, frequently, to invoke it at the start and to stick with it, because otherwise they might be regarded to have waived the privilege.

Senator CURTIS. On page 464, Mr. Kennedy asked:

Mr. KENNEDY. What was Mr. Cross paying you for?

Miss LOWER. I refuse to answer that question.

I assume it is on the same grounds. I think it was understood.

What were you paying her for that might incriminate her, if she revealed it?

(The witness conferred with his counsel.)

Mr. Cross. Mr. Senator, again I will say to you the only thing paid to Miss Lower or Mrs. Thorpe was from the funds of this organization for her activities as a special organizer.

Any other reason that she might have for doing whatever she did is in her prerogative and I have no knowledge of what she was thinking or doing.

Senator CURTIS. That is all.

The CHAIRMAN. The Chair would ask you just 1 or 2 questions.

It could very well be that your personal relationship with the woman, if there was a personal relationship, might not in any way be pertinent to this inquiry. But if union funds were used or any gift was made that was purchased with union funds, I think it would very definitely be pertinent to this inquiry.

First, I will ask you this question: Was she paid by union funds for any personal service or accommodation that she rendered to you?

(The witness conferred with his counsel.)

Mr. Cross. Mr. Chairman, if I understand your question it again—it assumes that there was a personal relationship, and again I will

reiterate only funds of this organization were expended for Mrs. Thorpe's services for the Van de Kamp and the Golden Crust organization. Beyond that, as far as questions assuming any personal relationship, I respectfully offer to you, Mr. Chairman, that it is not within the scope of this committee, and I would have to refuse to answer.

The CHAIRMAN. Since she did work for the union, as you have testified, and worked under your supervision and direction as you testify, and since she said the answer to those questions might tend to incriminate her, I will ask you this question first, and then I am going to repeat the second one.

I will not assume, but I give you a chance to say——

Mr. CROSS. Sir?

The CHAIRMAN. I will not assume, but give you the chance to say, so I will ask you the question: Did she render any personal services or accommodations to you not related to union work and union business?

I would not assume it; I will let you answer it, and then I will ask you the question again whether she was paid for those services, if you say yes, whether she was paid for those services out of union funds.

(The witness conferred with his counsel.)

The CHAIRMAN. I do not want to assume, if I can get the testimony.

Mr. CROSS. So you are no longer assuming, but you are asking me the direct question?

The CHAIRMAN. She has received money, union money, for which she would not give any accounting, saying that to answer the questions about it might tend to incriminate her, taking the fifth amendment.

I am asking you whether she rendered any other services for you other than the union, whether she rendered any personal services or accommodations to you. You can answer yes or no, whatever you want to.

If you say no, then I would not assume it in a question.

Mr. HARRIS. Mr. Chairman, in the interest of protecting the witness, I would like to suggest that both questions that you have just asked have been answered. The witness has testified very definitely several times that no money has been paid to Miss Lower except by the union, except for union activities, and that means that money was not paid to her for anything else, whatever that anything else might be. He has also stated he has answered the other questions also.

The CHAIRMAN. I was simply trying not to belabor this thing, to bring it to a conclusion. But we have testimony here about a ring. Now, I am going to ask him another question.

Mr. HARRIS. Ask him about the ring.

The CHAIRMAN. All right.

Did she buy a ring for you?

Mr. CROSS. No, sir.

The CHAIRMAN. Did she buy a ring that you questioned her about, and buy it with union funds?

Mr. CROSS. There are two questions there.

The CHAIRMAN. All right. Did she buy a ring with union funds?

Mr. CROSS. I wouldn't know that, sir.

The CHAIRMAN. There is some testimony in this record to that effect. Do you know anything about that?

Mr. CROSS. No, sir.

The CHAIRMAN. There was also testimony that the ring was bought for you, but when it was not delivered to you, when you didn't get it, that you went to—where was it?

Mr. KENNEDY. To her apartment.

The CHAIRMAN. In whatever city it was. What city is it?

Mr. KENNEDY. Los Angeles, Rodeo Road.

The CHAIRMAN. Rodeo Road. And you beat her up because she didn't give you that ring and possibly gave it to someone else.

Is there any truth in that?

Mr. CROSS. If you will allow me to answer, the answer is I knew nothing about a diamond ring; I did not at any time strike Mrs. Thorpe, and I respectfully submit to you, Senator, that the man who gave you that rumor had been in a mental institution and was discharged by this union and was a disgruntled employee who was only giving you hearsay and nothing else.

The CHAIRMAN. It is in the record.

Mr. CROSS. The answer is "No;" I knew nothing about a ring.

The CHAIRMAN. All right. Say you don't know.

Mr. CROSS. I did, on several occasions.

The CHAIRMAN. Now, just one other thing.

Mr. CROSS. I will go further with you, Mr. Chairman. I have never given her any presents.

The CHAIRMAN. That is all right.

You see, the record is clouded here. There are implications in it.

Mr. CROSS. I don't like implications. I like direct questions and direct answers.

The CHAIRMAN. Neither do I, sir, and I am giving you the opportunity—

Mr. CROSS. I thank you. You did.

The CHAIRMAN. I am giving you the opportunity to deny.

Mr. CROSS. Thank you, sir.

The CHAIRMAN. I didn't think you would want to leave the record that way.

Mr. CROSS. I am very appreciative of it, because I didn't want to leave it that way.

The CHAIRMAN. Then the only other question is this, which you say you have answered, and I will ask you just once more.

You tell this committee under oath that no union money went to her for any services for you that weren't union business?

Mr. CROSS. Right.

The CHAIRMAN. Period. That is what I have been trying to get you to say.

Mr. CROSS. I have been saying it.

The CHAIRMAN. Proceed.

Mr. KENNEDY. On the question of the ring, you say that you never had any discussions with her about the ring?

Mr. CROSS. I say I know nothing about a diamond ring, discussions, moneys, or in any form. I have never owned a diamond ring, and I am not ambitious to have one.

Mr. KENNEDY. Did you ever strike her?

Mr. CROSS. No.

Mr. KENNEDY. In early 1956, did you have a fight with her in her apartment and strike her?

Mr. CROSS. No. According to the testimony of Joe Kane, I wouldn't be able to strike even a 10-year-old.

Mr. KENNEDY. But you never struck her?

Mr. CROSS. No.

Mr. KENNEDY. When I talked to her on the telephone a week ago, she told me that this had happened. Is that untrue?

Mr. CROSS. It is untrue as far as I am concerned.

Mr. KENNEDY. Mr. Kopecky and I were on the telephone, and she said this did happen.

Mr. CROSS. I can't help it, sir.

Mr. KENNEDY. That never occurred at all?

Mr. CROSS. No.

Mr. KENNEDY. She evidently also told the police in Los Angeles about it. You don't know anything about that?

Mr. CROSS. Telling the police?

Mr. KENNEDY. About the fact that you had come to her apartment and beat her up?

Mr. CROSS. I have never struck Mrs. Thorpe.

Mr. KENNEDY. Did you ever beat her up?

Mr. CROSS. There is a difference?

Mr. KENNEDY. Well?

The CHAIRMAN. The committee cannot conclude with the witness this afternoon.

The Chair had intended, if we did not conclude, to resume in the morning. It is very likely that both chief counsel and the chairman may have to be in court tomorrow in the morning, and give testimony, and we probably could not get through in time to return for a morning session.

Therefore, the committee will stand in recess until 2 o'clock tomorrow afternoon.

(Present at time of recess: The chairman and Senator Curtis.)

(Whereupon, at 5:35 p. m. the committee recessed, to reconvene at 2 p. m. Thursday, June 20, 1957.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

THURSDAY, JUNE 20, 1957

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee met at 3 p. m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Barry Goldwater, Republican, Arizona; Senator Karl E. Mundt, Republican, South Dakota; Senator Carl T. Curtis, Republican, Nebraska; also present: Robert F. Kennedy, chief counsel to the select committee; George Kopecky, assistant counsel; James F. Mundie, investigator; Ruth Young Watt, chief clerk.

The CHAIRMAN. The committee will be in order.

(Members of the Select Committee present at the convening of the session: Senators McClellan and Curtis.)

The CHAIRMAN. The Chair would make this observation in explanation of the delay in getting the committee hearing underway this afternoon: The chief counsel had to return to court for further testimony and was not able to return at the hour set, 2 o'clock.

In the meantime, we have had a very important matter up on the floor of the Senate that was being discussed that was quite interesting and of considerable importance. It has not been convenient at all for the members of the committee to get here earlier.

Incidentally, this discussion, it is expected, will lead to at some time in the afternoon, a rollcall vote, at which time, of course, we will have to interrupt the committee proceedings to take a brief recess until we can go and vote.

All right, Mr. Counsel, are you ready to proceed?

Mr. KENNEDY. Yes, Mr. Chairman.

The CHAIRMAN. Mr. Mundie, will you be sworn?

You have previously been sworn in this hearing?

Mr. MUNDIE. Yes, sir.

TESTIMONY OF JAMES F. MUNDIE—Resumed

Mr. KENNEDY. I wanted to get a breakdown of the figures that went into the record yesterday from Mr. Mundie who has made an examination of the vouchers that Mr. Cross has submitted to the international union.

Mr. MUNDIE. That is correct.

Mr. KENNEDY. You made an examination of those that he submitted and initialed, his own vouchers?

Mr. MUNDIE. Yes, sir, for the year 1956, yes.

Mr. KENNEDY. For the year 1956, Mr. Mundie, what were the total expenses of Mr. Cross?

Mr. MUNDIE. The total expenses per the records of the international union, are \$39,395.14.

Mr. KENNEDY. Now, have you broken that down? Mr. Cross said yesterday that he had traveled about 100,000 miles and a lot of this was in transportation. Could you tell us if you have broken down from the records of the international from his own vouchers, how much of that expense is for transportation?

Mr. MUNDIE. I have broken down the air travel for the year 1956, from January 1 to December 31, 1956, in the amount of \$3,746.23.

Mr. KENNEDY. That amount was for air transportation, is that correct?

Mr. MUNDIE. Air transportation.

Mr. KENNEDY. That is what amount?

Mr. MUNDIE. \$3,746.23.

Mr. KENNEDY. Now, he also drove his automobile.

Mr. MUNDIE. To Miami, Fla., I mean Palm Beach, Fla. That was 2,100 miles, I think, at 7 cents a mile.

Mr. KENNEDY. So that would be added on to that?

Mr. MUNDIE. Yes, sir, and in addition this \$3,700 is over the \$39,000.

Mr. KENNEDY. This \$3,700 is in addition to the \$39,000?

Mr. MUNDIE. That is right, sir.

Mr. KENNEDY. Have you broken down how much he spent for rental of automobiles and for parking?

Mr. MUNDIE. I have. Car rental for the year 1956, \$901.75.

Mr. KENNEDY. What about any other automobile charges?

Mr. MUNDIE. No. There were some parking charges.

Mr. KENNEDY. How much are the parking charges?

Mr. MUNDIE. \$221.50.

Mr. KENNEDY. For parking charges?

Mr. MUNDIE. That is right.

Mr. KENNEDY. Then there were some charges at the country club, those charges?

Mr. MUNDIE. The country club charges for the year 1956, \$1,107.71. Some of these chits were signed by Mrs. Cross.

Mr. KENNEDY. From your calculations, from a study of these vouchers, how much was charged to the international union for entertainment, and for tips and for restaurants, and Ciro's Club and that type of thing?

Mr. MUNDIE. In regard to the figure I gave you first, the \$39,395.14, there is deducted \$221.50 for parking, \$1,170.71 Congressional Club, \$4,996.61 hotel bill, and \$3,507.04 which was charged to the international union for restaurant and hotel expense but which amount of \$3,507.04 was charged to convention expenses.

Mr. KENNEDY. Making how much for hotels?

Mr. MUNDIE. Net is \$8,095.90. Then the car rental and other expenses making a total of \$10,389.86.

Mr. KENNEDY. And the rest of the \$39,000, from a study of his vouchers, is for entertainment?

Mr. MUNDIE. Yes; gratuities, and other miscellaneous items that he had on the vouchers that he was examined on yesterday.

Mr. KENNEDY. How much does that total, then?

Mr. MUNDIE. \$29,005.28.

The CHAIRMAN. Let me understand this. There is \$30,000 plus, just for entertainment?

Mr. MUNDIE. Well, he submitted those yellow vouchers, and some were in the amount that you recall of \$500 or \$1,000 and then when he got back from the trips, he said that he put in a voucher and got additional funds and the total of that would be \$29,005.28.

The CHAIRMAN. That is \$29,005.28, that did not go for transportation and did not go for hotel bills?

Mr. MUNDIE. That is right.

The CHAIRMAN. And did not go for parking?

Mr. MUNDIE. That is right.

The CHAIRMAN. It was for things other than those three items?

Mr. KENNEDY. From a review of the vouchers, there is no breakdown or no bills submitted that this money was legitimately spent, is that right?

Mr. MUNDIE. As far as I can determine from the examination of the vouchers, he submitted no bills. All bills that were submitted were paid by the international union.

Mr. KENNEDY. So for approximately \$30,000 he submitted no bills other than those yellow vouchers in which he said he had spent the money?

Mr. MUNDIE. That is correct. I might add this is contrary to the practice according to the auditor in regard to the letter of March 23, 1952.

Mr. KENNEDY. Where, at least according to a letter that he had his name on the bottom, there should be a strict accounting as to how money was spent.

Mr. MUNDIE. The auditor said this letter was prepared at his instructions. That is Mr. Pinsak.

The CHAIRMAN. What auditor?

Mr. MUNDIE. The international auditor.

The CHAIRMAN. He said the letter was prepared at whose instructions?

Mr. MUNDIE. At Mr. Cross' instructions.

The CHAIRMAN. That is the copy of the letter that was here yesterday, and exhibited to Mr. Cross, but his name was not on it.

Mr. MUNDIE. That is correct.

The CHAIRMAN. Or his signature is not on it.

Mr. MUNDIE. That is correct, sir.

The CHAIRMAN. But it was addressed to Mr. Mann, as head of the local union?

Mr. MUNDIE. In Chicago; yes, sir.

Mr. KENNEDY. Mr. Mundie, your own career, you have been with the Internal Revenue Department; have you not?

Mr. MUNDIE. Since 1948.

Mr. KENNEDY. Since 1948?

Mr. MUNDIE. Yes, sir.

Mr. KENNEDY. You have been attached to this committee since when?

Mr. MUNDIE. March 25 of this year.

Mr. KENNEDY. Were you with the Intelligence Division of the Internal Revenue Department?

Mr. MUNDIE. I was.

Mr. KENNEDY. Were you with an agent in the Intelligence Division?

Mr. MUNDIE. I am a special agent.

Mr. KENNEDY. Is this procedure followed by Mr. Cross, is that a procedure that would ordinarily be exempted by the Internal Revenue Department?

Mr. MUNDIE. No, sir.

Mr. KENNEDY. If this came to your attention as an agent for the Intelligence Division of the Internal Revenue Department, would you make a further investigation of the matter?

Mr. MUNDIE. I would. However, travel expenses and advances and stuff like that are always of a controversial nature.

Mr. KENNEDY. That is all.

The CHAIRMAN. Are there any further questions?

You may stand aside.

(At this point, Senator Goldwater entered the room.)

The CHAIRMAN. Who is the next witness?

Mr. KENNEDY. Mr. Cross.

TESTIMONY OF JAMES G. CROSS, ACCOMPANIED BY HIS COUNSEL, ABRAHAM J. HARRIS—Resumed

The CHAIRMAN. You have heard the statement here regarding information that the committee has that the auditor for the international stated that the letter referred to was prepared by your instructions.

Yesterday the Chair requested you to make a search and see if you could find your copy of that letter, the international's copy of that letter in its files.

Have you made such a search?

Mr. HARRIS. Mr. Chairman, may I answer that?

The CHAIRMAN. I am asking the witness.

Mr. CROSS. I had my attorney contact the office to see if they could find it.

The CHAIRMAN. You had your attorney contact the office?

Mr. CROSS. Yes, sir.

The CHAIRMAN. Can you report on it, Mr. Counsel?

Mr. HARRIS. I asked Mr. Cross' assistant to see if he could find that letter, dated April 23, 1952, that is the letter of which we had a photostat or was purported to be a photostat of a copy, addressed to Gilbert Mann, president of local 100.

That had a place for a signature by James G. Cross, with the name typed in. Mr. Espel, Mr. Cross' assistant, reported to me he was unable to find any such letter, that he had examined the file where such a letter or a copy of such a letter should be, namely, the general correspondence file kept when Mr. Cross was secretary-treasurer—this was during that period of time—and that no copy of such a letter appeared in that file.

Mr. CHAIRMAN. Let me ask Mr. Mundie, who was the auditor.

Mr. MUNDIE. Mr. Pinsak. Mr. Kopeccky was present at that discussion.

The CHAIRMAN. Where is he?

Mr. MUNDIE. He is at the international.

The CHAIRMAN. Get a subpoena for him, and let us have him come up here in a few minutes, and we will ask him about it.

Mr. KENNEDY. Is it your testimony that Mr. Pinsak said there was no such letter?

Mr. HARRIS. I did not talk to Mr. Pinsak. I talked to Mr. Espel.

Mr. KENNEDY. Who is he?

Mr. HARRIS. He is Mr. Cross' assistant.

Mr. KENNEDY. Did you talk to any of the auditors to check in those files?

Mr. HARRIS. No, I didn't.

Mr. KENNEDY. It is possible that the letter would be in those files.

Mr. CROSS. It is possible, Mr. Kennedy. As I understand, Mr. Espel checked through the general correspondence files back to 1952, where this letter is dated. It is quite possible and I am sure you will appreciate we are in temporary quarters here and it may be in some other warehouse or something that can be found.

There has never been any denial that there might be such a letter and I just couldn't identify it without my signature.

The CHAIRMAN. I can appreciate that and the Chair is not trying to force you to identify something that was 5 years ago. But I hate to think that everywhere we go, records are destroyed or lost and we cannot get at the facts.

Mr. CROSS. Mr. McClellan, I assure you, or Senator McClellan, our records are not destroyed. We go back and keep them for a period of 7 years, I think.

The CHAIRMAN. Therefore, I was hoping that your office copy of it could be found and if we cannot find it that way, we will get the auditor up here who stated that he got his instructions from you to prepare such a letter.

Mr. CROSS. The only other thing I could think of, sir, if they are looking for it, they might check with the Scovell & Wellington people and they may have prepared it for me.

They may have the original copy.

The CHAIRMAN. We will try to clear it up.

Mr. KENNEDY. Did you have some concern, as to the way Gilbert Mann was operating his union in Chicago?

Mr. CROSS. It had been called to my attention by Mr. Carbonara, the gentleman who testified the other day, that he did not like the procedures going on in the office of local 100. We sent an auditor in, and he came back and made some recommendations to us and we instructed the local to carry them out, and whether they ever did or not, I don't know.

Mr. KENNEDY. I was noticing from the questions that were submitted by your attorney, that there were certain matters that you wanted to bring out and I expected you wanted to bring out with Gilbert Mann and one of them was, for instance, the fact that he might have used some of his expenses on liquor.

Were you critical of that, that any expense money of unions was used to pay for liquor?

Mr. CROSS. I am if it is done for a personal nature and if it is done in the nature of entertaining on behalf of the union, I am not.

Mr. KENNEDY. You are not generally critical of that matter and it is just if Gilbert Mann was going out and drinking by himself?

Mr. CROSS. Gilbert Mann or any other person in the union was having a personal use of the liquor and not connected with the organization. I understand he testified that it was only connected with the organization.

Mr. KENNEDY. Wouldn't Gilbert Mann want to have some expenses, such as you had, to go out and entertain and use the money as he saw fit?

Mr. CROSS. I am sure he did, sir.

Mr. KENNEDY. You encouraged the members and the heads of your locals to take whatever expenses they think are necessary to go out and entertain?

Mr. CROSS. I neither encourage or discourage. They have full autonomy in this international union.

Mr. KENNEDY. If they go out and spend money, maybe thirty-five or forty thousand dollars, do they have to make an accounting as to how they spend the money?

Mr. CROSS. No, sir, all they do is list it on the day books as expenses.

Mr. KENNEDY. So the head of a union could go out, one of your local unions, could go out and spend twenty-five or thirty thousand dollars?

Mr. CROSS. If his members would allow him to.

Mr. KENNEDY. I saw also, according to one of the questions at least, that you wanted us to bring out the fact that Gilbert Mann had withdrawn some of his pay in advance. Were you critical of that, also?

Mr. CROSS. Yes, I am.

Mr. KENNEDY. I notice in your own expense accounts, you withdrew \$500 for the Glass Blowers' Association, to attend that back in March of this year.

Mr. CROSS. Yes, sir.

Mr. KENNEDY. That was in advance, was it not?

Mr. CROSS. Yes, sir.

Mr. KENNEDY. And you did not attend the Glass Blowers' Association?

Mr. CROSS. No, but I have spent a lot more than the \$500 on behalf of the international since.

Mr. KENNEDY. But that, of course, is the problem. You withdrew the \$500 and you got the \$500 in advance for something that you never did. You never made an accounting to the union for it.

Mr. CROSS. You haven't given me time, Mr. Kennedy. I have probably \$3,000 of my money expended in expenditures up to this time, since March 3, which I haven't yet put in vouchers to this international union.

Mr. KENNEDY. I am just again in the interest of having an accurate thing, I am not saying you should not spend all of this money; I am not questioning that. That is not the problem.

It is just that in the first place, they are trust funds, and these are trust funds and this is not your money that you are spending, this \$39,000. You recognize that, do you not?

Mr. CROSS. Certainly.

Mr. KENNEDY. This is somebody else's money that you are spending.

Mr. CROSS. Yes, sir.

Mr. KENNEDY. Therefore, these are trust funds, and they are put in your control and trust. You put in a voucher for \$500, for instance, to go to the Glass Blowers' Association, and you did not go. That was your voucher and that is how you were accounting for it. But it was an inaccurate accounting, was it not?

Mr. CROSS. No, because it hasn't been accounted for. If you will allow me, Mr. Kennedy, it was an advance for the glass bottle blowers' convention, but due to the calling of a special board session, at the same time here in Washington, instead of going to St. Louis, I attended the board session here in Washington.

Since the time of receiving the advance, I haven't put in 1 penny of expenses to this international union. My vouchers, when I turn them in and the record I am keeping will probably amount to about \$2,800 or \$3,000.

I have been to about 28 States, and all of Canada since March 3. I have paid for that myself. I am not critical of Gilbert Mann and as you will notice the question we put in, I was not critical of any of the expense advances he drew to the State fairs or to the conventions that he went to.

It was only the question of pulling salary in advance and to the best of my recollection I think if the books of that local were checked at that time, it would not be a week or two, but it would be for several weeks.

Mr. KENNEDY. But you see a distinction between the two?

Mr. CROSS. Yes, sir, because one is a salary and the other is actually engaged in work of the organization at the time that you go.

Mr. KENNEDY. What about, at the time you go, but if you never go, and you had \$500 and you put in one voucher and did not attend? Did your union pay for the expenses of any of your family, for instance, your children?

We notice that you have a daughter; do you not?

Mr. CROSS. Yes, sir.

Mr. KENNEDY. And she was up at New York.

Mr. CROSS. She lives in New York.

Mr. KENNEDY. Did the union pay any of her expenses up in New York City?

Mr. CROSS. If they did, they shouldn't have, because that is up to Sims to bill me, the same as he does on the Congressional Country Club, whenever those dues payments are due, they go into the office and I am charged and regularly repay the monthly fees to that club.

Mr. KENNEDY. Why would you send a bill for your daughter at the hotel?

Mr. CROSS. Because I signed the bills and she had a connecting room with me and it came back to the international. I am presuming this is what happened. When it did, the auditors should catch it and bill me as they do for many, many items.

Mr. KENNEDY. But you do not think that you should check that yourself and not send it into the international.

Mr. CROSS. I couldn't. I just paid a total bill and when it gets there it is listed in two names and it seems to me a much better way to do it than to pay it by cash and not be able to keep track of it.

Mr. KENNEDY. Why did you do it when you had Kay Lower down in Miami?

Mr. CROSS. Pardon me?

Mr. KENNEDY. When Kay Lower was down in Miami and she had a hotel bill, you paid that on one occasion. You marked it personal. Why didn't you do that for your daughter up in New York?

Mr. CROSS. Because at this time, I paid it with a checking account out of my own bank.

Mr. KENNEDY. You mean down there?

Mr. CROSS. Yes, sir.

Mr. KENNEDY. You had to deduct that and you deducted \$330 or whatever it was for personal. Why would you do that down there and did not do it up in New York for your daughter?

Mr. CROSS. I think it follows a natural line of questioning, that went on yesterday.

We were attempting to keep Mrs. Thorpe as a secret organizer and to have had that remain on the books of the organization would not to me be keeping the secret from those who had no right to know about it.

(The witness conferred with his counsel.)

Mr. Kennedy, in order to clarify it, the check if you will notice, came out of the accounts set up on a special drawing account for this particular type of expenses and it is not my account and not my money.

Mr. KENNEDY. I do not understand that.

Mr. CROSS. This money?

Mr. KENNEDY. Which money are you talking about?

Mr. CROSS. The one that you just asked about last.

Mr. KENNEDY. Kay Lower?

Mr. CROSS. Yes, sir.

Mr. KENNEDY. In Miami?

Mr. CROSS. Yes, sir; and it was drawn out of a special bank account of the National Bank here in Washington, which was moneys for that purpose, and it was paid for out of this.

Mr. KENNEDY. You mean all of the moneys paid to her was out of a special bank account here in Washington?

Mr. CROSS. I wouldn't want to say all, but the great percentage.

Mr. KENNEDY. How much money was she paid?

Mr. CROSS. This would have to be to the best of my recollection, and not having an account of it.

Mr. KENNEDY. Who has the account of it?

Mr. CROSS. There will be no accounting on that.

Mr. KENNEDY. Why not?

Mr. CROSS. Because it was pulled out as needed, and there was no regular set amount and it was kept, as I said, as a confidential nature, so that it would not be publicly released to the officers of our organization.

The CHAIRMAN. Let me ask you a question about that. Who decides that the other officers in the organization should not know how the money is spent?

Mr. CROSS. I didn't say they shouldn't know how, sir, or that they didn't know how. I had a special account set up for the organization of the Van de Kamp people.

The CHAIRMAN. For what?

Mr. CROSS. For the Van de Kamp organization, through a proposition of the general executive board.

The CHAIRMAN. Why should that be secret? An account you set up for one organization, to spend to organize it, why should that account be secret from the other officers? I just do not understand that.

Mr. CROSS. Well, it was in an attempt to keep the organization, as I explained very lengthily, which you let me do yesterday, the organization of the Van de Kamp's setup in a different manner than we had normally been doing, in order to keep our operations secret. It became necessary to do it that way.

The CHAIRMAN. Where was that bank account kept?

Mr. CROSS. The National Bank.

The CHAIRMAN. Do we have that account?

Mr. CROSS. Yes; you have.

The CHAIRMAN. In what name was it kept?

Mr. CROSS. My name.

The CHAIRMAN. Individually?

Mr. CROSS. Yes, sir.

The CHAIRMAN. Did the executive board authorize it to be handled that way?

Mr. CROSS. Yes, sir.

The CHAIRMAN. Well, now, when you set up a special account like that—I do not know how much money you put into it, but give us some idea.

Mr. CROSS. I expect in the time I had that account there were \$7,500 contributed for the Van de Kamp account, and over \$5,000 of it are itemized expenditures that I think would meet Mr. Kennedy's approval, and the other \$2,200 is still in reserve. The other moneys pulled from there were pulled on vouchers, and expended as it became necessary for, let me say, for example, I think you have a check around \$378 that went to the Screen Actors Guild for pamphlets, for passing out, and expenditures for picket-line activity, and expenditures for restaurants.

The CHAIRMAN. In other words, there was an accounting of that account, with vouchers?

Mr. CROSS. For a certain amount of it.

The CHAIRMAN. An amount of it that did not include the payment to Kay Lower?

Mr. CROSS. Yes, sir.

The CHAIRMAN. And any other expenditures out of it, to any other person, that was not accounted for, besides Kay Lower?

Mr. CROSS. To the best of my recollection, sir, no.

The CHAIRMAN. She was an exceptional case?

Mr. CROSS. Yes, sir.

The CHAIRMAN. All right, Mr. Counsel; proceed.

Senator MUNDT. Following up on the chairman's line of questioning, Mr. Cross, I am not clear in my mind and I think that I heard most of your testimony yesterday, exactly from whom you were try-

ing to keep the secret operations in connection with this particular bakery. Who were you trying to conceal your activities from, to put it in a separate account so you could do it secretly? Once I thought you said you kept it secret from the other members of the union, but it seems to me—the other officers of the union, but it seems to me in answering Senator McClellan, you said no, they knew all about it. Who was the secret kept from?

Mr. CROSS. There were two, Senator Mundt. There was the owners of the organizations that we were attempting to organize——

Senator MUNDT. The bakery company, you mean?

Mr. CROSS. Yes, and there were also those disgruntled members and employees, former employees of ours in the Los Angeles area who were in a deep political fight with our local 37 who we did not want to know our method of organization, because they felt they would reveal how we were doing it to the companies. They left the organization of local 37 and opened up a bar fairly close to the restaurant, or to the bakery, we were organizing and we didn't want those people to have the information as to how we were doing this organization.

Senator MUNDT. How did you identify on your books the \$175 taken out of the union account and put into this secret fund?

Mr. CROSS. It was the Van de Kamp organization.

Senator MUNDT. That would in itself tell them that this was for that purpose.

Mr. CROSS. It wouldn't tell them the disposition, Senator, and it would tell them it was for that account.

Senator CURTIS. Now, not all of the pay that went to Kay Lower came out of that account, did it?

Mr. CROSS. Pardon me, sir?

Senator CURTIS. Not all of Kay Lower's pay came out of that account, did it?

Mr. CROSS. I take it from pay you are talking about the moneys that went to Mrs. Thorpe?

Senator CURTIS. Yes.

Mr. CROSS. Not all of the moneys came out of there. Some of the moneys, I volunteered the information, were drawn from vouchers from the organization placed into this account and drawn out, and then forwarded to Mrs. Thorpe by Western Union wire.

Senator CURTIS. How much money was paid to her, wages and expenses during the time that you say she was performing services for your union?

(The witness conferred with his counsel.)

Mr. CROSS. I just asked my counsel on it, there is a question of wages, and I want to explain. This person was not on the regular payroll of the organization and we did not forward moneys and wages. However, during this period, to the best of my recollection, the moneys going to her would be between five and six thousand dollars for the period in question.

Senator CURTIS. Between five and six thousand dollars?

Mr. CROSS. Yes, sir.

Senator CURTIS. Now, would that include all of the expenses that were paid for her?

Mr. Cross. That would, sir, with the exception of those that already have been testified to here, as having been charged by other vouchers.

Senator CURTIS. But it would not include all of them?

Mr. Cross. To whatever minor amount they might be, and I would presume that would be 95 percent of it, if I was making a guess.

Senator CURTIS. And you would place it between five and six thousand dollars?

Mr. Cross. To the best of my recollection, Senator.

Senator CURTIS. Now, I checked over her testimony. While it is true she refused to testify as to her acquaintance with you and how long she had known you, she did testify as to her services rendered to the union. They consisted of gathering a few names in the bakery that she got from one individual.

But when asked about whether or not she knew you, she said that that fact would incriminate her, to testify.

Now, you have declined to give us a full report of that, on the ground, you say, it is not pertinent.

It seems to me that these members of your union ought to know what she received this money for. Do you not think so?

Mr. Cross. I think that I already testified to that, Senator.

I think, if I might so as we straighten both my thinking and yours on this particular testimony that you are referring to, I am sure your knowledge of it is better than mine, because I didn't read it except to glance through it on the first couple of days, and I think that you will see that the testimony is given there for the services rendered at that time to local 37 for which she received compensation from that local union, and then I testified yesterday that in order to do this job in the manner that we thought it had to be done, we withdrew the support from local 37 and made the arrangements directly through the international union.

Senator CURTIS. When she was drawing funds from this local union, that was at your direction, was it not?

Mr. Cross. At the time she drew the money from local 37, the money was donated for a special organizing campaign for the local, and when it was first contributed by this general executive board I was not aware as to the party that it was going to. I since have learned that it didn't all go to her, and it went to other sources.

Senator CURTIS. But that that she did get was paid to her upon your direction, was it not?

Mr. Cross. Not paid to her, but paid to the local union, the local union disposed of the money as they saw fit.

Senator CURTIS. But you directed that certain money go to her, did you not?

Mr. Cross. Not from the local union, sir.

Senator CURTIS. From any place?

Mr. Cross. From the international union, that I just testified to; yes, sir.

Senator CURTIS. Now, she did get 2 weeks' pay by check, did she not?

Mr. Cross. I don't know, sir. It was not from me.

Senator CURTIS. It was \$75, with withholding tax and social security tax deducted.

Mr. Cross. Not from this international union.

Senator CURTIS. But you directed the activity when it was being paid out of the local funds, did you not?

Mr. Cross. No, sir. The director of organization, Stuart, directed that activity.

Senator CURTIS. Is it true that when her pay was handed to her in cash it would be in an envelope with a notation as to how much withholding tax had been deducted, and how much social-security tax, and that \$67.80 would be turned over to her weekly?

Mr. Cross. I have no knowledge of that. That would be handled in local 37, and not through me.

Senator CURTIS. Were you ever at her residence at 5020 Rodeo Road?

(The witness conferred with his counsel.)

Senator CURTIS. Mr. Chairman, are we in recess or what is going on? I asked a simple question, which called for a yes or no answer.

The CHAIRMAN. What was the question?

Senator CURTIS. I asked the witness if he had ever been at Kay Lower's residence, 5020 Rodeo Road.

The CHAIRMAN. The witness may answer.

Mr. Cross. I was trying to place Rodeo Road, sir.

Senator CURTIS. I am sorry. I do not have a map for you.

The CHAIRMAN. Have you placed it?

Mr. Cross. Yes, sir.

The CHAIRMAN. Proceed with your answer.

Mr. Cross. It seems to me, Senator Curtis, that I can recall one occasion being at 5020 Rodeo Road, and I am not sure whether it is Hollywood or Los Angeles.

Senator CURTIS. Who was with you when you were there?

Mr. Cross. Vice President and Director of Organization Stuart.

Senator CURTIS. Did anyone get beaten up at that time?

Mr. Cross. No, sir.

Senator CURTIS. That was another time?

Mr. Cross. I wouldn't know about that. I never beat her up or never struck her at all, as I so testified yesterday, Senator.

Senator CURTIS. Did you ever pay the rent on that apartment, at that address?

Mr. Cross. No, sir.

Senator CURTIS. Did the union ever pay it?

Mr. Cross. No, sir.

Senator CURTIS. You knew about someone breaking in that apartment and taking all of her clothes?

Mr. Cross. Doing what, sir?

Senator CURTIS. Did you know about the fact that her apartment was broken into, and her wardrobe stolen. Did you ever hear that?

(The witness conferred with his counsel.)

Mr. Cross. I think, Senator, that I have got to again say that I cannot find the pertinency of that question to the organization.

The CHAIRMAN. Well, the Chair will state this may be the pertinency of it: We have an affidavit here of a conversation had with this woman, Kay Lower, in which she states that her apartment was broken into, a window broken, and they came in and took all of her clothes and that you reimbursed her, in other words gave her \$700 to

go buy another wardrobe, and the pertinency would be whether you gave her union money or your own.

Mr. Cross. In the first place, I respectfully say, Senator, that I never gave her \$700 to replace the wardrobe.

Senator CURTIS. Did you give her any money to replace her wardrobe?

Mr. Cross. I never gave her a penny, as I testified yesterday, for a wardrobe, for gifts, or for anything else.

I think it is good to reiterate, as I said time and time again, that the only moneys given by me were for union activities and what she used that money for was her business.

Senator CURTIS. She described her union activities, and it was gathering a few names of people working in the bakeshop at Van de Kamp's place there, in Los Angeles. When asked if she knew you, she took the fifth amendment.

Now, I think that there ought to be a full disclosure to find out whether these transactions, and this is our only interest in it, about which she took the fifth amendment involved union funds. If they were your funds, you can serve the union by saying so.

Do you recall when and where you first met her?

Mr. Cross. I think that I testified yesterday, sir, that to the best of my recollection it was at a cocktail party at the Ambassador Hotel, in Los Angeles, sometime in the fall of 1954.

Senator CURTIS. Who gave the party?

Mr. Cross. I think it was just a gathering of delegates of the AFL convention.

The CHAIRMAN. Have you ever handled any other account like you handled the account with her for the union?

Mr. Cross. I have never handled any other account for the Van de Kamp like I handled this one.

The CHAIRMAN. Well, for the union in any other instance?

Mr. Cross. I think, Senator, I said it wrong. I have never handled any account for the union, with the exception of this Van de Kamp account, in this manner.

The CHAIRMAN. You called this yesterday an undercover operation, and you have had no other undercover operation with union funds other than this one, is that right?

Mr. Cross. That is right, because since my term as president, it has only been a few short years, and this is the first occasion that it became necessary to get away from the normal procedure.

The CHAIRMAN. You do not think now it was so necessary, do you?

Mr. Cross. I wish it hadn't happened now.

The CHAIRMAN. I am sure you do.

Senator MUNDT. Did you say, Mr. Cross, that you had never given Miss Lower any money for any purpose?

Mr. Cross. No, sir.

Senator MUNDT. You did not say that?

Mr. Cross. No, sir.

Senator MUNDT. I understood you, in response to the question that Senator Curtis asked you about the wardrobe, I thought you said you had never given her any money for any gift or any purpose.

(The witness conferred with his counsel.)

Mr. CROSS. I wanted to say, Senator Mundt, that if my statement was for gifts, then the answer is "No." If it was for union activity, then my answer is "Yes."

Senator MUNDT. You are positive that neither you nor the union ever gave her any money for clothes?

Mr. CROSS. I never did, sir.

Senator MUNDT. How about the union?

Mr. CROSS. I can answer for the local union, and I can only answer for the international. They never did.

Senator MUNDT. The international never did?

Mr. CROSS. No.

Senator MUNDT. She never got any money out of this special fund for that?

Mr. CROSS. No, sir.

Mr. KENNEDY. Just in connection with this, quickly going back to this situation in Miami, where there was \$331 which you ultimately paid as personal, I don't think anyone could trace this very well unless they had the power of subpoena, because as it is written, on your hotel bill, it just says "miscellaneous, \$331.31." So I think even if you had sent that bill in, nobody would have been able to figure out it was for Miss Lower.

Mr. CROSS. Well, that might be true, Mr. Kennedy.

Mr. KENNEDY. I am just trying to understand why you would want to change that over, and pay that for personal.

Mr. CROSS. I have already stated the reason.

Mr. KENNEDY. It is different for your room for your daughter, where it was specifically put over into the bill.

Mr. CROSS. Because with my daughter, I had no intention of drawing it out of any fund, but for paying it out of my wife's and my account, and the organization, both Mr. Sims is responsible for not billing me for that when it came in.

Mr. KENNEDY. Do you have a usual process—

The CHAIRMAN. I don't see how Mr. Sims would know how to bill you for something miscellaneous.

Mr. CROSS. Senator, he was talking about a bill for my daughter for the hotel which was so listed.

The CHAIRMAN. I understand that, but he wouldn't know how to bill you for this miscellaneous item.

Mr. CROSS. No, but he would certainly want to do some probing.

The CHAIRMAN. If you wanted miscellaneous to be charged to the union?

Mr. CROSS. Yes; and it was.

The CHAIRMAN. Where your daughter's name appeared, it was his mistake that he didn't bill you for it?

Mr. CROSS. It is the organization's mistake, and possibly mine, too, sir, for not remembering the fact that it was on the bill. I do not want any of my personal accounts charged to this international union.

The CHAIRMAN. I was just wondering why you put the blame on somebody else.

Mr. CROSS. I share the blame because I am responsible for his actions, too.

The CHAIRMAN. All right; you may share it.

Mr. CROSS. May I have that voucher, Mr. Kennedy?

Mr. KENNEDY. This is the one in Miami, and so you won't have to go through it all, it is at this place, and at this place.

(The documents were handed to the witness.)

Mr. KENNEDY. This is the one for your daughter, which is right there and on the next page.

(The documents were handed to the witness.)

Mr. Cross. There is no question, Senator Kennedy, that this one is even billed to the father, and it should have been, and it has 7420 Hampden Lane on it, and it should have been sent there, but it is connected to the other bill. It should have been caught by my auditors and by my secretary-treasurer and if I had more time to do it, possibly by myself.

Mr. KENNEDY. You will straighten that out?

Mr. Cross. Yes, sir; I certainly will.

Mr. KENNEDY. I want to say first, Mr. Cross, that I agree, certainly, with you that I do not want to pry into your personal affairs. I do have a slight problem, though, on this question of whether it is your ordinary procedure. That is first what your procedure is, for getting an international organizer such as Kay Lower. Do you have many people like her on the payroll?

Mr. Cross. Well, first, Mr. Kennedy, she is not on the payroll, as such.

Mr. KENNEDY. Was she ever on the payroll?

Mr. Cross. No.

Mr. KENNEDY. Why wasn't she interested in getting a salary?

Mr. Cross. Well, because I don't believe that the work that she was doing called for a weekly salary. I thought the work and value of the work performed depended upon what was produced in the Van de Kamp campaign. As such, most of the moneys forwarded were probably for expenditures that she herself incurred.

Mr. KENNEDY. Would she submit a bill for what she was doing?

Mr. Cross. No; I think we would argue most of the time that her charge was too high, and that I wanted to give too little, and in the meantime we shipped out what we thought was right.

I think the cause of the atmosphere, that I ought to explain, so that this may be clarified, and I was hoping that Senator Curtis was here. I think that you will find that most of this money that I am talking about was forwarded from Washington, D. C., by Western Union wire, so that I was not in the presence when this was going on.

Mr. KENNEDY. Do you have any other girl organizers?

Mr. Cross. We used to have years ago. However, for whatever reason, whether they get married or leave the trade, or leave the industry, or lost their interest, they go other places. I know we had one in Milwaukee, and we do have several I was going to say business agents, or business ladies on the job that do this type of work for local unions.

Mr. KENNEDY. Do you find many people working for you that don't require a salary?

Mr. Cross. No; but we do make at various times during the year contributions both to campaigns such as this where we do not put people on the regular payroll. We pay them just for whatever work they render.

Mr. KENNEDY. They would still be getting some salary and it would be a deduction for social security?

Mr. CROSS. No.

Mr. KENNEDY. There wouldn't be?

Mr. CROSS. No; if we put them on the regular payroll we deduct according to the withholding laws. But if we make the contribution to a local union, so that they may expend \$20 for the expenses of a person who might have brought in some various type of thing—

Mr. KENNEDY. That is different from what we are talking about. I am talking about where you have a regular employee, that is supposed to be working on a project continuously, such as she was, the Van de Kamp Bakers, as I understand it.

Mr. CROSS. No; she was on other work in Los Angeles.

Mr. KENNEDY. What other work was she on?

Mr. CROSS. I said Golden Crust, and she was also sending to this international organization and its officers, its top officer, and the director of organization and a vice president, information concerning this Los Angeles political situation that we were discussing.

Mr. KENNEDY. Do you have any of those reports that she would send in to you?

Mr. CROSS. They were all oral reports, and I couldn't tell them or it would no longer be private reports.

Mr. KENNEDY. Couldn't she just send them in to you, private reports, to James Cross?

Mr. CROSS. Much of it—I don't think that I get any private personal mail at the office, and it—

Mr. KENNEDY. Could she send it to you at home?

Mr. CROSS. I suppose she could have if I had thought of doing that. I have talked to her from my home.

Mr. KENNEDY. Was she just interested in the bakers and that is why she didn't want a salary? That is one of the things that puzzles me; she was willing to work for just expenses.

Mr. CROSS. You are beginning now to get into the realm of what she was thinking, and I don't know. She was willing to accept the arrangement that we made financially, and that is all I can say about it. I suppose, had the demands been made that she wouldn't have done the work; we would have put her on the payroll.

Mr. KENNEDY. Mr. Nelson testified that the work she did, that he knew about, that the most that she did for which he paid her approximately \$1,000 was to submit 50 names from Van de Kamp Bakery which would make it about \$20 a name. I was wondering is that the going rate in the international for names for these areas?

Mr. CROSS. I don't think that you can put a price of a going rate on that. Sometimes the names in the shop, depending upon the strategic importance of the organization, may be worth \$100, or maybe worth \$200 a name.

Mr. KENNEDY. Did you think you were getting a pretty good deal?

Mr. CROSS. He must have because he was in charge of the local union.

Mr. KENNEDY. She kept reporting to you?

Mr. CROSS. Not on this particular time.

Mr. KENNEDY. Weren't you talking on the phone almost daily with her?

Mr. CROSS. I would have to refresh my memory at this period we are talking about now. But I am sure that the record will show that, and I would admit to it, if I took the calls. I am sure that the director of organization, Stuart, Vice President Crawford—

Mr. KENNEDY. Did Crawford know about this, too?

Mr. CROSS. Yes, and Crawford, Nelson, and Stuart and myself, and possibly calls relayed or taken by Mr. Espel, my secretary.

Mr. KENNEDY. Did she mention this at all to you, that she had gotten some of these names? She said that she got them from the head baker at the Van de Kamp Bakery, and she didn't know anyone else, but she knew the head baker. She got those names, and did you feel that she was doing a pretty good job out there, and you wanted to continue her?

Mr. CROSS. As I said yesterday, Mr. Kennedy, I am sure we did a good job out there, because we got both plants organized for the first time in their history. That, to me, is what counts, the results.

Mr. KENNEDY. Is it an ordinary procedure, also, on people that are in charge of organizing these plants, that you take them from one city to another, for instance from the record we have you met her in Portland, Oreg., in New York City, and how many times did you meet her in New York City?

Mr. CROSS. To the best of my recollection, just once; I am not sure.

If you have any record, or if the office has any records—

Mr. KENNEDY. Let us assume it is once, and Portland, New York, and Ottumwa, Miami, Fla., on a couple of occasions and Denver, Colo., all in the period of a relatively short period of time.

Is that the ordinary procedure for your organizers, that you bring them around like that, and meet with them?

Mr. CROSS. Yes; I think that you will see that in most every major city of the United States at one time or another, I have called in various organizers into that city.

Mr. KENNEDY. How many different organizers, for instance, did you bring from the west coast to Miami, Fla.?

Mr. CROSS. At what period?

Mr. KENNEDY. During this period of 1956.

Mr. CROSS. There were during this period—

Mr. KENNEDY. Doing the kind of work she was doing.

Mr. CROSS. Well, you see, out there there was only Mr. King, and Mr. Nelson, although he has been tied up mostly on trusteeships, and Mrs. Thorpe, and Frank Gardone, on occasions, and I think that is all of the organizers we have on the west coast.

We have a vice president in Los Angeles, and a vice president in Chicago, Goodwin, and a vice president up in the Seattle area, Ray Crook.

Mr. KENNEDY. Did you bring them?

Mr. CROSS. They came to Miami in the normal procedure.

Mr. KENNEDY. Did they all come together?

Mr. CROSS. Not all at the same time, because they are working on different programs.

Mr. KENNEDY. And then New York City, did you bring them to New York City?

Mr. CROSS. In New York City I think we had a staff of seven organizers.

Mr. KENNEDY. Did you bring them back from the West, to New York City?

Mr. CROSS. We brought Mr. Nelson and Mr. Gardone, and Mr. Mykalo, and several others of our organizers in from various sections of the country in to New York City.

Mr. KENNEDY. And to Ottumwa, Iowa?

Mr. CROSS. Mr. Nelson and Mrs. Thorpe, and then Mr. Oslen, the acting secretary-treasurer of the organization, came out, and there are no other organizers or there were none at that time out there, and we did have a conference of about 30 local union delegates.

Mr. KENNEDY. She was a little different even from an international organizer, wasn't she, and she was just in charge of 1 or 2 plants?

Mr. CROSS. That is right.

Mr. KENNEDY. Do you have that intensive an organization so that you bring these people in from 1 or 2 plants?

Mr. CROSS. These two, Mr. Kennedy, were very important to this organization.

Mr. KENNEDY. And with this large amount of expenses, amounting to some \$30,000, which aren't accounted for, it could be that if you had an international president who wasn't honest, he could be using this money for his own personal benefit, and perhaps bringing for his own personal pleasures and spending the money on his friends or on girls or whatever it might be.

That is union money, and so that is, of course, the problem; isn't it?

Mr. CROSS. Well, it certainly is a hypothetical question, and you are not expecting me to answer that. But dealing with the coast, and the funds that I deal with, I think that would be a small way for even a dishonest person to try to enrich themselves when there would be many other ways for a dishonest person to do it.

Mr. KENNEDY. You didn't bring her, for instance, to New York City for your own personal pleasure on union funds?

(The witness conferred with his counsel.)

Mr. CROSS. Mr. Kennedy, I have testified yesterday on several occasions to this same sentence.

Mr. KENNEDY. As I started this off, I think that you have a perfect right, and I don't want to press that part, as your own personal life, but the only trouble is that she had a rather unusual position. She had these large numbers of convictions, and she had never had any experience at all in this field, and she testified here that she received some money from you, and she testified here that all she did was to submit some names that she got from the head baker, and now we find that she is traveling to Miami on several occasions and traveling to New York, and traveling to Portland, Oreg., and traveling to Iowa, and she is traveling to Denver, Colo., all at union expense, according to your testimony.

You spent \$5,000 or \$6,000 of union money. You further testify that you haven't any reports that she submitted, and there is no testimony at all that she did any work, really, and we come down to the question of whether, in fact, what she was doing was for your own personal pleasure and union money was being used for that.

I think that we might as well get it straightened out.

Mr. CROSS. I think that we had it straight before, Mr. Kennedy.

(The witness conferred with his counsel.)

Mr. HARRIS. Mr. Chairman, in view of the statement just made by the chief counsel, I wonder if I could make this statement: I have no objection certainly to Mr. Cross responding on his own to Mr. Kennedy, but there has been testimony, Mr. Kennedy, and let us make no bones about it. There is a lot of testimony in the record, and there was testimony yesterday as to what Miss Lower did for the union.

There is testimony that was very clear, that the only money Miss Lower got from the international union or from James G. Cross of the international union funds or otherwise was for union business. There is testimony, and let us not say there wasn't.

If you have a conflict of testimony in the record, between what Miss Lower said at the time she was answering questions, and what Mr. Cross has said, then the committee, as finders of fact, I assume, will draw its own conclusion.

But let us not straighten it out, to use your words, by saying that there is no testimony when there is testimony.

The CHAIRMAN. Let us go on to the next part of this.

I think most everyone who hears this testimony and reads it can form a pretty good opinion of their own. I don't want to belabor this, and I would like to get into some other aspects of it.

Can we proceed, Mr. Counsel?

Mr. KENNEDY. We can. That is, unless he wants to make some comment beyond that.

Mr. HARRIS. May I make this one further remark, Mr. Chairman. If we are getting into a new subject, and I certainly wouldn't even hope or try to tell the chairman or the chief counsel as to what order they want to put evidence in, but yesterday when Mr. Cross first got on the stand he expressed the hope that he would be shortly afforded an opportunity to explain the situation on the industry situation, about which there had been so much publicity in that morning's press.

The CHAIRMAN. We will be glad to accommodate you at this time, Mr. Counsel, and proceed with that subject matter.

Mr. KENNEDY. Do you have some statement that you want to make on it?

Mr. CROSS. No; except I think it is mighty unfair for the assumptions in the paper that there were favors given and substandard wages which aren't based on facts, and which will come out in the testimony the way I think it is and the records don't prove that.

Mr. KENNEDY. That was the testimony of Mr. Carbonara.

Mr. CROSS. I don't know, and I saw it in the newspapers.

Mr. KENNEDY. Mr. Carbonara testified to that and he is head of the local.

Mr. CROSS. He isn't head of the local and it was the first contract he ever negotiated in his life.

Mr. KENNEDY. Well, he is a member of the bakers' union. What is his official position?

Mr. CROSS. Financial secretary.

Mr. KENNEDY. And he negotiated this contract?

Mr. CROSS. Just this contract.

Mr. KENNEDY. And he is in the bakers' union?

Mr. CROSS. Yes, sir.

Mr. KENNEDY. And he testified to that before this committee that that was the situation?

Mr. CROSS. Yes, sir.

(Those present at this point: The chairman and Senator Curtis.)

Mr. KENNEDY. Regarding Philipsborn, have you had any financial transactions with Mr. Philipsborn?

Mr. CROSS. Which one, sir?

Mr. KENNEDY. Either one. Mr. Philipsborn, Sr., first.

Mr. CROSS. There are three of them.

Mr. KENNEDY. Martin Philipsborn.

Mr. CROSS. Senior?

Mr. KENNEDY. And Martin Philipsborn, Jr., and Herbert Philipsborn?

Mr. CROSS. I have had no dealings with Martin Philipsborn, Jr.—financial dealings. I had one financial dealing with Herbert Philipsborn, with an FHA-insured mortgage on my home in Chicago.

Mr. KENNEDY. What year was that?

Mr. CROSS. 1946.

Mr. KENNEDY. 1946?

Mr. CROSS. To the best of my recollection. I was thinking this morning of the date 1946, or 1948, in my mind when I brought the home. It was right after the war, I am sure, when houses were very expensive.

Mr. KENNEDY. You borrowed some money from him at that time?

Mr. CROSS. No, sir; I did not. I went to H. S. Philipsborn & Co. mortgage house and arranged an FHA-insured loan for \$16,000 on which I paid principal, interest by the month, real estate taxes, and when I sold my home, 7, 8, or 9 years later, the mortgage was paid off, and I received from FHA a rebate on the extra half-percent insurance that I had.

Mr. KENNEDY. At that time did the Philipsborns have an interest in the Zion Industries, Zion, Ill.?

(The witness conferred with his counsel.)

Mr. CROSS. You must, Mr. Kennedy, for me to keep this story straight, specify for me which Philipsborn you refer to, because some are financially interested at one time, others are no longer interested in it, and one I don't think ever was interested in it.

Mr. KENNEDY. The records that we have show—and if you have different records we would like to be corrected—the loan was made on October 4, 1948.

Mr. CROSS. That is possible. I think I took occupancy in November. I didn't know whether it was 1946 or 1948. I will trust your investigation.

Mr. KENNEDY. That is October 4, for \$16,000.

Mr. CROSS. Does that show, Mr. Kennedy, an FHA-insured loan?

Mr. KENNEDY. Not my notes here.

Mr. CROSS. I am sure that your staff has it.

Mr. KENNEDY. Fine.

Mr. CROSS. It does show that?

Mr. KENNEDY. From whom was it?

Mr. CROSS. H. F. Philipsborn & Co. mortgage house.

Mr. KENNEDY. Did Philipsborn, or any of the Philipsborn family, have an interest in Zion, Ill., at that time?

Mr. CROSS. I think it was right at that time that Mr. Philipsborn sold—

Mr. KENNEDY. Who are you talking about?

Mr. CROSS. We both got to keep straight. Mr. Martin Philipsborn, Sr., as I understand, at that time sold his interest in the Zion Industry to New York University.

Mr. KENNEDY. He sold it in 1948?

Mr. CROSS. That is to the best of my recollection.

Mr. KENNEDY. Have any of the Philipsborns had any interest in Zion Industries since that time, since 1948?

Mr. Cross. I don't know the title, but I think the son is the managing vice president or whatever his title is.

Mr. KENNEDY. But it is your testimony that none—well, have they or have they not had an interest since 1948, in Zion?

Mr. Cross. Well, I say the son works for the company. Colonel Philipsborn, as he is known. H. F. Philipsborn I never knew having any interest in. He may have. I don't know. It is my understanding that Mr. Martin Philipsborn sold his entire stock interest in this company to the New York University.

(The witness conferred with his counsel.)

Mr. KENNEDY. And what is the interest of the Martin Philipsborn, Jr., if any?

Mr. Cross. Well, sir, as I understand, he is hired as an officer, managing the company.

Mr. KENNEDY. Do you know if they retained any of the bond interest in Zion, Ill., the Zion Industries, from 1948 through the present time?

Mr. Cross. I don't know of my own recollection. All I know is that the mister, the senior, informed me that he sold out his entire stock interest and did retire and move to Washington, D. C.

Mr. KENNEDY. We have some documents on it, so we will go into that after you tell us what loans you have made.

Mr. HARRIS. Mr. Chairman, may I interject a moment?

I am sure Mr. Kennedy wants the record to be accurate on this. The only loan you have mentioned up to now, that is, this afternoon, is the one from H. F. Philipsborn & Co. Might I ask if the committee could take judicial notice of the fact that that is an old Chicago mortgage house? If anything, it is a coincidence.

The CHAIRMAN. Let us proceed. Your client knows that, I am sure. Let him state it.

Mr. Cross. Well, Senator McClellan, if you will be as kind as you were yesterday and let me explain this whole thing, I will put my understanding and transactions on the record, and then if you have any questions, I will be more than happy to answer.

The CHAIRMAN. I thought that opportunity was given to you a while ago.

Mr. Cross. I got off by answering about this FHLA. I will give you to the best of my understanding the exact dates as I can remember them, and all the transactions.

The CHAIRMAN. All right. Let counsel make a general statement of what we are looking into here regarding Philipsborn, and then if you have any explanation, you may give it.

Mr. KENNEDY. Mr. Chairman, we have been looking into the question and had some testimony from the financial secretary of the bakery at Zion Industries, Zion, Ill., and the difficulty that he had in September, October, and November, and the months that followed in 1956 and the first few months of 1957, regarding trying to make a contract with Martin Philipsborn, Jr.

He felt that there had been pressure from above on him, that he had received strike permission to strike, and that his members had

voted to strike, and that that strike permission had been summarily withdrawn. We inquired into the matter further and found that there had been some financial transactions between the Philipsborns and Mr. Cross. It is that matter that we will inquire into at the present time.

From the records that we have, and I believe these came from Martin Philipsborn, Sr., during 1955 he received from Zion Industries, Martin Philipsborn, Sr., a salary of \$72,000, expenses of \$6,457, a bond interest of \$51,504.66, for a total in 1955 of \$129,961.66. That is Martin Philipsborn, Sr., in 1955.

In 1956, salary was \$72,000, expenses \$7,780, bond interest \$51,504.66, total \$131,284.66, for 1956. That made a total for 1955 and 1956, for Martin Philipsborn, Sr., in Zion Industries, of \$261,246.32.

Martin Philipsborn, Jr., during 1955, and this is based upon a drawing account of \$24,000 per year, plus a share of the profits and plus out-of-pocket expenses, received an approximate salary of \$30,000, in both 1955 and 1956; approximate expenses of \$3,000 in both years; a bond interest of \$2,512 in both years, and the approximate total in 1955 is \$35,512 and the same in 1956, \$35,512, making an approximate total for 1955 and 1956 of \$71,024.

Those are the figures that we have received from Martin Philipsborn, Sr.

The CHAIRMAN. Do you understand that they have an interest and do you know that they have an interest in this Zion Industries?

Mr. Cross. My understanding, Senator McClellan, from just recent investigation on Martin Philipsborn—I am not interested in the son or Herbert—my understanding is that when he sold his stock to New York University in 1948, he was given what is very common in these arrangements, a year-to-year contract for a period of 5 to 15 years.

I don't understand all this arrangement that these financiers go through, but it is my understanding that he is in Zion only once or twice a year, so that he has no active interest in this business outside of the contract which he had, which I guess is part of the arrangement on the sale of the stock of the company.

Mr. KENNEDY. We understand he is still majority owner out there.

Mr. Cross. Of stock?

Mr. KENNEDY. Well, majority owner. If he has been there only once he is receiving expenses in 1955 and 1956, and he is receiving a salary of \$72,000. I hope he is doing something out there.

Mr. Cross. I hope so, too, or New York University should look into it.

The CHAIRMAN. We can trace this angle of it. You trace your connection with them, what you borrowed from them.

Mr. HARRIS. Mr. Chairman, I believe in view of Mr. Kennedy's statement to the effect that "We understand he is still the majority owner" I believe the committee staff has affidavits, two affidavits, I believe, from Mr. Martin Philipsborn, Sr., and I don't know whether they have, although I would suspect, since they are so thorough, that they would also have an affidavit or possibly two from Colonel Philipsborn in Chicago.

I would think it would be good if those could be read into the record. Those certainly should reveal what Mr. Philipsborn's continuing stock interest in this company is.

The CHAIRMAN. Just a moment.

Mr. KENNEDY. We have an affidavit from Mr. Philipsborn, Sr. Is that what you are interested in?

Mr. HARRIS. I believe you have two affidavits, Mr. Kennedy.

Mr. KENNEDY. I had not planned to put them in at the present time, but I will put in the first one which will clear this up.

Mr. HARRIS. All right, sir.

Mr. KENNEDY. I will submit them to the chairman.

The CHAIRMAN. This affidavit is being placed in the record at your request. We had it for information. I will read the pertinent parts of it and the reporter can put the full document into the record.

At this moment, I will read the pertinent parts:

BEFORE THE SENATE SELECT COMMITTEE ON IMPROPER ACTIVITIES IN THE LABOR OR
MANAGEMENT FIELD

AFFIDAVIT

COUNTY OF FRANKLIN,

Commonwealth of Pennsylvania, ss:

Martin M. Philipsborn, being first duly sworn according to law, on oath deposes and says that he has been summoned to appear as a witness before the above-entitled committee; that he submits this affidavit in lieu of testimony before the committee because of illness which prevents his appearance on June 5, 1957; that he has personal knowledge of the facts hereinafter set forth.

Affiant avers that he is 73 years of age; that he is at present confined to his bed in Blue Ridge Summit, Pa., in traction under the care of Dr. Harry H. Youngs, Jr., Blue Ridge Summit, Pa.; that he has caused to be submitted to a member of the staff of said committee a written statement of Dr. Young's establishing that affiant, because of his health, is unable to attend the session of the committee before which affiant has been directed to appear on June 5, 1957.

Affiant avers that this affidavit is made freely and voluntarily, without promises or representations of any kind; that the information contained herein may be used by said committee, or the staff thereof, at a public hearing or hearings conducted by said committee on June 5, 1957, or thereafter; that this affidavit is made at the request of George M. Kopecky, known to affiant to be an investigator attached to the staff of said committee.

Affiant avers that he became associated with Zion Industries, inc., Zion, Ill., in approximately October 1935; that he became general manager as well as an officer in October 1935; and acted continuously as the operating head of said corporation until approximately August 1948; that he became executive vice president during approximately August 1948.

Affiant further avers that during about the year 1941 he acquired, for himself and his family, approximately 73 percent of the shares of stock of said corporation; that during about August 1948 he and his family sold said shares of stock to Illinois Industries, Inc., a foundation created for New York University; that since said date neither he nor his family has owned any shares of stock of Zion Industries, Inc., that affiant and his family hold bonds of approximately 73 percent of \$3,800,000 total, issued by Zion Industries, Inc.; that the remainder of said issue of bonds is held by several hundred other persons, firms and corporations.

Affiant avers that he met one James Cross in the year 1938; that said Cross was then affiliated with the bakers union; that about the year 1942 affiant for the first time met Mrs. James (Ruth) Cross, the wife of said James Cross, and their young daughter, Delores;

That throughout the years since said date, a personal friendship has developed between affiant and the Cross family; that on or about February 3, 1955, loaned to James and Ruth Cross \$57,600; that said loan was repaid to affiant, with interest at the rate of 3 percent per annum to date of payment, on or about October 3, 1955;

That said loan was made to Mr. and Mrs. Cross by affiant for a temporary period to afford Mr. and Mrs. Cross funds with which to purchase a home in Washington, D. C., where Mr. and Mrs. Cross had come to take up their residence in late 1954 or early 1955;

That at the time affiant loaned said sum to Mr. and Mrs. Cross, affiant was informed by either or both of them that financing for the home which Mr. and Mrs. Cross had selected was available to them but that there would be a few months' delay between the date of acquisition of said home and the time that financing for the purchase of the same would be available to Mr. and Mrs. Cross through other sources.

Affiant further avers that on or about August 27, 1956, he loaned to Mr. and Mrs. Cross the sum of \$40,000 for the purpose of providing Mr. and Mrs. Cross with funds to purchase a home in Florida, which he was informed by either or both of them that they would probably make their permanent home;

That on or about March 19, 1957, Mr. and Mrs. Cross caused to be delivered to affiant a second mortgage secured by the Florida property which affiant was informed had been purchased in part with the funds loaned by him to them.

Said \$40,000 was repaid to affiant on or about the following dates and in the following amounts: April 6, 1957, \$16,000; April 9, 1957, \$14,000; May 24, 1957, \$10,000; plus interest at the rate of 4 percent per annum.

Affiant avers that the above-mentioned loans made by him were made from his personal funds; that no officers or employees of Zion Industries, Inc. (except affiant) participated therein in any manner nor was Zion Industries, Inc., directly or indirectly, in any manner connected therewith.

Affiant further avers that neither Mr. nor Mrs. Cross nor any member of their family is presently indebted to him in any sum whatever; that he has never loaned money to them or members of their family at any time except as aforesaid; that on each of the aforesaid occasions that he did loan money to Mr. and Mrs. Cross he received a promissory note or notes therefor.

(Signed) MARTIN M. PHILIPSBORN.

Subscribed and sworn to before me this 4th day of June 1957.

(Signed) AUDREY H. DAILEY, *Notary Public*.

My commission expires April 14, 1959.

BLUE RIDGE SUMMIT, FRANKLIN COUNTY, PA.

MR. KENNEDY. Does that raise any question about the figures that I put in?

MR. HARRIS. The question I had raised, Mr. Kennedy, was that you had stated that according to your information, Mr. Philipsborn still retained a majority ownership interest.

MR. KENNEDY. Seventy-three percent, as I understand.

MR. HARRIS. Not ownership interest, sir. There is a difference between a stock ownership in a company and owning bonds.

MR. KENNEDY. Is there any stock outstanding at the present time?

MR. HARRIS. The affidavit that Senator McClellan just read, Mr. Kennedy, says, I believe, the affiant and family owns no share of stock, that they have sold all their stock to Illinois Industries, which was set up for New York University, as I recall hearing the affidavit that Senator McClellan read.

THE CHAIRMAN. I believe it said they owned 73 percent of the bonds, at a value of about \$3,800,000.

MR. HARRIS. That is not ownership. That is the statement of yours that I was challenging.

MR. KENNEDY. They have a considerable interest. We can leave it at that, is that right? They have a considerable interest in Zion Industries at the present time?

MR. HARRIS. They have a debtor-credit relationship with it, as I understand.

MR. KENNEDY. Well, they are receiving salaries and, expenses both, totaling over \$300,000 for the last 2 years.

SENATOR CURTIS. The interest of the bondholder is superior and paramount to the interest of the stockholder, is it not?

Mr. HARRIS. Senator Curtis, in terms of collecting on the assets in the event of liquidation, certainly, but in terms of running the company, no.

If you are going to ask my opinion as a lawyer, that is my answer.

Senator CURTIS. In the event that the business does not produce profits or has other difficulties, the superior right of a bondholder becomes much greater than that of a stockholder; is that not right?

Mr. HARRIS. In a well-run company, bondholders should get their interest before stockholders declare dividends; yes, sir.

Senator CURTIS. In case of difficulty, bondholders get all of their money before stockholders get any; is that right?

Mr. HARRIS. That is right.

Mr. KENNEDY. Let us go on and you tell us what the loans are. I think this will be developed as to whether they have an interest.

Mr. CROSS. I think it is very important, too, Senator McClellan, to point out that we are not talking, when we are talking about Zion Industries, of just a biscuit plant or a candy plant. We are talking about a lace-curtain plant; we are talking about an automobile agency; we are talking about a huge department store and real estate holdings in the city of Zion, and we are talking about a big lumber and construction company in the city of Zion.

So, these moneys that we are talking about, this \$3 million, which makes it sound so big, it is, in relation to other biscuit and candy organizations, a very, very minute part of this international union's dealings.

I am sure that you have indulged me before. I would like to lay this story as frankly and honestly in the way that it was handled, and I think it necessitates my dealings with this company over many, many years.

The CHAIRMAN. You may proceed.

Mr. CROSS. Thank you, Senator McClellan.

Mr. KENNEDY. Could I just—well, O. K.

Mr. CROSS. In 1939 I first took up residence in the city of Chicago as an international representative. This plant was one of my first assignments in Zion, Ill., a city of about 5,000 or 6,000 people, to organize.

At the time that I attempted to organize it, it was still owned by the Christian Catholic Church, the old Glenn Voliva Institution. The entire city was owned. I had difficulty getting it organized because of the religious feeling of the workers in the plant.

However, I continued to work on the plant, and in 1942 I was successful in organizing this plant. In 1944 I signed a contract with this company for its biscuit plant only, involving 200 workers.

The candy plant, an institution a block away owned by the same company, was not organized and I could not get it organized at that time. I negotiated the contracts for this company with Mr. Martin Philipsborn, Sr., from 1944 until 1948.

From that day until this day, I have never negotiated a collective-bargaining agreement with Mr. Martin Philipsborn, Sr., or any of his family.

Mr. KENNEDY. Have you ever discussed this matter, the Zion Industries?

Mr. CROSS. I will get to that. If you will let me tell the story——

Mr. KENNEDY. I think you are going to leave the record——

Mr. CROSS. No; I am not.

Mr. KENNEDY. Have you had any discussions with Mr. Martin Philipsborn, Sr.?

Mr. CROSS. Yes, sir. If you will let me tell my story, I will tell you that, too. I will tell you the truth.

Mr. KENNEDY. I am trying to help.

Mr. CROSS. You don't have to. I have this story very well.

The CHAIRMAN. Let us move along now. The counsel or any member of the committee has a right to interrupt for clarification and bring out points; so, proceed.

Mr. CROSS. If there is a question, I will gladly answer it.

Mr. KENNEDY. Did you have discussions with Mr. Martin Philipsborn, Sr., regarding these contracts since 1948?

Mr. CROSS. Not with these contracts at all, sir, until November 13 or 16, 1956, when I discussed at one luncheon engagement with him the question of the Zion candy plants.

Mr. KENNEDY. Did you discuss the difficulty or problems that the local was having out there at that time?

Mr. CROSS. No, sir.

Mr. KENNEDY. You had no discussions with him at all?

Mr. CROSS. Yes; I had discussions, but not with the difficulties of the local. This is parts that I could explain.

Mr. KENNEDY. Did you discuss with him about the bakery at all in Zion?

(At this point, Senator Goldwater entered the hearing room.)

Mr. CROSS. Yes, sir.

Mr. KENNEDY. You discussed that with him?

Mr. CROSS. But not the terms of the contract, sir.

Mr. KENNEDY. Did you discuss how long the contract would last?

Mr. CROSS. No, sir.

Mr. KENNEDY. Did Mr. George Stuart discuss that with him?

Mr. CROSS. Not in my presence.

Mr. KENNEDY. Where did you meet with Mr. Philipsborn?

Mr. CROSS. Mr. George Stuart and myself met with Mr. Martin Philipsborn, Sr., at his apartment at the Shoreham Hotel in Washington, D. C.

Mr. KENNEDY. Why did you happen to go to his apartment?

Mr. CROSS. I went to his apartment because Mr. Stuart asked me if I would use whatever personal relationship I had had over the years with Mr. Philipsborn, to see if I could get him to withdraw his opposition to the organization of the candy plant in Zion, Ill. I told him I would introduce him to him and tell him to use his influence on his son to pull away from the opposition that they had maintained to our organization.

Mr. KENNEDY. Had you been trying to organize the candy plant?

Mr. CROSS. Yes, sir; and at one time I had it.

Mr. KENNEDY. No; were you trying to organize the candy plant in September and October and November, during this period of time?

(The witness conferred with his counsel.)

Mr. CROSS. Do you mean me, personally?

Mr. KENNEDY. No. Was the local?

Mr. CROSS. I presume so, sir

Mr. KENNEDY. Did you not find that out before you went over and visited with him?

Mr. CROSS. No. George Stuart is a director of organization. He told me he wanted the candy plant organized, and he thought this was one of the best ways to do it.

Mr. KENNEDY. Did you not try to find out or attempt to find out whether the employees of the candy plant were interested in becoming members of the union?

Mr. CROSS. I had tried that for many years.

Mr. KENNEDY. This is back at that period of time. Were you not interested in finding that out first?

Mr. CROSS. If you ask whether I was interested in finding out whether the employees themselves were interested first, the answer is "No." I was interested in withdrawing the opposition of the company to organization first, because they had whipped us over a period of 15 years and I wanted that company opposition taken away before we went in and attempted and failed again.

Mr. KENNEDY. Did Mr. Philipsborn call you at all or talk to you about the difficulty that he was having or that the Philipsborns were having, or Zion Industries were having, with your local union in Zion?

Mr. CROSS. Well, I will say this, Mr. Kennedy: If he did, and my memory would not serve me too well on one plant out of over 3,000 or 4,000 in this country with its size, but, if he did, I am sure I would tell him that he would have to take up his problems with the local union involved and the men involved.

Mr. KENNEDY. I am asking you, specifically, if he called you or talked to you about the difficulties that the Zion Industries were having with your bakers' union, your bakers' local. Did he discuss that matter with you?

Mr. CROSS. To the best of my recollection, no.

Mr. KENNEDY. When you were out in San Francisco, did you discuss that with him by telephone?

Mr. CROSS. I may have called him at that time, because this seems to be prior. I am not saying I did, because I don't remember, but I may have called him to set up the appointment with Mr. Stuart and I when we returned from San Francisco.

Mr. KENNEDY. What would be the reason for you calling him from San Francisco, Martin Philipsborn, Sr.?

If New York University owned Zion Industries, and, as you say, Martin Philipsborn, Sr., had no interest in it, why would you want to meet with Martin Philipsborn, Sr.?

Mr. CROSS. I just explained that a few minutes ago, in which I said that I wanted to introduce Vice President and Director of Organization Stuart to the father, explain the problem, and have the father use his influence, if he had any, on his son, who was the manager-director of the company.

Mr. KENNEDY. Then they had a considerable influence over the policies of the company?

Mr. CROSS. I am sure that the father had influence over the son. It is a father-son deal, you know.

Mr. KENNEDY. So when you were out in San Francisco, you made a telephone call to Martin Philipsborn, Sr.?

Mr. CROSS. I didn't say that, sir. I said if I did, it would be on this particular conversation. I couldn't recall the telephone call.

Mr. KENNEDY. Did you discuss the bakery with them at that time, the difficulty it locally was having, when you talked to him by telephone?

Mr. CROSS. I honestly can't remember.

Mr. KENNEDY. Did he call you out there?

Mr. CROSS. He may have called me, because of the trouble that has already been reported before, to talk to me about that, and ask me about it.

Mr. KENNEDY. How many times do you think you might have talked to him about that?

Mr. CROSS. About that?

Mr. KENNEDY. Yes.

Mr. CROSS. Probably 2 or 3 times.

Mr. KENNEDY. By long-distance telephone call?

Mr. CROSS. Oh, sure.

Mr. KENNEDY. You were talking 2 or 3 times, by long-distance telephone call, about the candy plants?

Mr. CROSS. No, sir.

Mr. KENNEDY. What were you talking to him about?

Mr. CROSS. He was talking to me, and I think if there are any records, the phone calls will show him calling my room. He was asking me about the trouble and asked if I needed any help, and if I was all right and so forth.

Mr. KENNEDY. As I understand it from the testimony of Mr. Carbonara, they received permission to strike the bakery at Zion Industries, and then that strike permission was withdrawn.

Were you aware of the fact, first, that that strike permission had been granted?

Mr. CROSS. This, again, Mr. Kennedy, if it is taken in its context, gives a very clear picture. To me, I would not know whether the strike permission was or was not granted. It is a routine thing, and it carries my signature. However, this one I happen to know, and it happened to be withheld not because of the question of substandard wages or the question of any assumption that, because of a loan, there was something wrong. It was withheld because we wanted to put the pressure of the biscuit company and the biscuit employees for a new contract, a refusal to sign that contract, unless the Zion Industries withdrew their opposition to our organization of the workers in the candy plants. That is why the strike permission was held up.

The proof and the outcome of it is the fact that we did get the candy plant for the first time since we have been dealing with this company, because of that pressure. We could never do it before because the company was isolated; the workers were isolated in a small town, with 150 people in the union. But they merged with this large Chicago local union, and, because of the strength of the Chicago local union, we felt for the first time that we were able to strike that company, if necessary, in order to get the opposition to the organization of the candy plant off. And we were successful.

But we had to promise the company not to tell the local union officials.

Mr. KENNEDY. Is that the ordinary procedure that you follow in the bakers union, that you do not keep your local officials advised as to what is going on?

Mr. CROSS. I don't think they care, as long as they end up with the workers and a good contract.

Mr. KENNEDY. Mr. Carbonara said they cared; he said they cared very much, and they felt they were being betrayed by you and by Mr. George Stuart.

Mr. CROSS. Except Mr. Carbonara didn't give you the facts, when he said it was a substandard contract, because this contract is comparable to any contract in the United States of like plants. Mr. Carbonara was mixed up because he was comparing it to the National Biscuit Co. and the Sawyer Biscuit Co.

But this is a small company, employing 150 to 250 people, and its increase compares to any other biscuit company that we have in the country.

Mr. KENNEDY. First, the factory had voted overwhelmingly 108 or 111 to 8 to strike. They felt that they were getting substandard wages. They felt it no matter whether you felt it or not, with your wages; they did.

Mr. CROSS. I never heard testimony to that effect.

Mr. KENNEDY. That is what his testimony was, that they felt that they wished to strike. They asked for strike permission, and they felt that they were being betrayed when you withdrew the strike permission.

Mr. CROSS. Which aren't the facts. They felt they were betrayed because they didn't know of our attempts at pressure on this company to get them the candy plants. The candy plant is now under contract at a higher scale than that which they themselves have at the Bunté plant in Chicago, which is their only plant.

Mr. KENNEDY. He was finally able to get in touch with George Stuart; George Stuart came out there and made a speech to the members of the union and said, "Don't strike, take the old contract until May 31 with some slight modifications, and then we will get a brand-new contract with the candy plant and for the bakery."

His testimony was to that effect. Then Mr. Stuart came in and said, "We are really going to sign the contract through December 31, 1957," and he said that the workers, without question, would not have accepted that.

Mr. CROSS. And if they wouldn't have accepted it, it wouldn't have been done.

Mr. KENNEDY. I do not understand your procedure, that you are keeping from your local officials, and you are keeping from your members of your union, what you are doing.

At the same time, you have a financial arrangement with Mr. Martin Philipsborn, Sr., with whom you are discussing these contracts.

Mr. CROSS. That isn't so.

Mr. KENNEDY. You admit discussing it with him?

Mr. CROSS. I did not admit discussing the collective bargaining contract of the Biscuit with Mr. Philipsborn?

Mr. KENNEDY. You say he discussed it with you by telephone all the way from San Francisco to Washington, D. C. You could not discuss the candy plant without discussing the bakery, Mr. Cross?

Mr. CROSS. Why not?

Mr. KENNEDY. Because they were intertwined, as you say.

Mr. CROSS. No, they are not. They were unorganized for years.

Mr. KENNEDY. That was part of the quid pro quo, was it not?

Mr. CROSS. I don't know what that means, sir.

Mr. KENNEDY. Was he not going to allow you to organize the candy plant?

Mr. CROSS. It is not within his prerogative to allow us.

Mr. KENNEDY. That is why I do not understand your asking him.

Mr. CROSS. He was to withdraw his opposition. I was going to give you all of this which would make a clean, clear picture, if you would allow me to finish this whole series of events. I am sure that the picture then would stand as it is.

The truth of the matter is Mr. Kennedy, this local union in Zion had voted for strike ever since 1944, each year at its renewal of a contract, and never once struck, because the people knew up there that they couldn't win a strike, isolated in the town of Zion, fighting the only industry in the city. But they took the strike vote only to put pressure on the company to get a few cents more out of that company in negotiations.

Mr. KENNEDY. In that connection, we have an affidavit.

Do you know a Mr. John Klansek?

Mr. CROSS. Mr. John Klansek is the international representative of the organization serving our midwestern territory, one of many.

Mr. KENNEDY. In connection with the history of Zion, Ill., and that bakery, we have an affidavit from Mr. John Klansek.

The CHAIRMAN. I will read the affidavit to you, and let you make such comments if there are any inaccuracies in it or any untruth in it.

AFFIDAVIT

STATE OF ILLINOIS,

County of LaSalle:

John Klansek being duly sworn deposes and says:

I, John Klansek, 451 Sunset Boulevard, Oglesby, Ill., furnish the following voluntary statement to George M. Kopecky, and I agree that all information may be used by the United States Senate Select Committee on Improper Activities in the Labor or Management Field as required.

At the present time I operate as an international representative of the Bakery and Confectionery Workers International Union of America and have been so employed since February 1952. In addition I have been a dues-paying member in good standing of this union since 1931. As an international representative, I am responsible for what is known in this union as the sixth district, which covers the States of Illinois, Kansas, and Missouri. My duties in this capacity, among other things, consist of negotiating contracts between local unions and bakeries, organizing shops which are within this union's jurisdiction, servicing and auditing the records of local unions, acting as trustee in local unions where necessary, and other duties designated by the international union.

With regard to the Zion bakery plant and the Zion candy plant, both of Zion, Ill., I would like to state that at the present time the bakery plant is organized but the candy plant is not organized to my knowledge.

Mr. CROSS. What is the date?

The CHAIRMAN. The 12th day of June 1957.

Mr. CROSS. To his knowledge.

The CHAIRMAN. That is the date of the affidavit.

I will proceed.

Both of these plants are located on the same property and are operated by the general manager, Martin M. Philipsborn, Jr., who is also the first vice president

of Zion Industries, Inc., which, according to my understanding, is controlled by Martin M. Philipsborn, Sr.

To the best of my knowledge at this time, James Cross initially organized the bakery plant at Zion about 1940 and continued to service this bakery plant until approximately 1950 or 1951. When Cross stepped out to another position within the international union, George L. Stuart assumed the duties. The candy plant was not organized although efforts were made about 1949 to do so. Due to reasons which I am not aware of the negotiations to organize the candy plant collapsed and no efforts to achieve this have since been made.

In 1951 the old contract which was in force at the Zion bakery plant was to expire, and on October 26, 1951, George L. Stuart negotiated with the management for a contract which extended through December 31, 1954. In my opinion this was a poor contract from the union's viewpoint due to the fact it was such a long contract that the wage rates were low in comparison to similar bakeries elsewhere, and because there was no opportunity for the rank and file to resolve any grievances which they may have had. I also know that George Stuart was under the direct supervision of the president, James Cross, at the time of negotiations and that he was responsible to Cross.

In the latter part of 1954, shortly before the expiration of the old contract, I started to negotiate with Martin M. Philipsborn, Jr., for a new contract. What I did initially was to contact the individual members to determine what they desired and needed, and then presented these and other items to Philipsborn. In turn, Philipsborn countered with a proposal from management. There was a wide difference between the demands and the offer, and I was unable to make any progress with Philipsborn. From time to time, Philipsborn indicated to me he was a personal and intimate friend of Cross and that Cross would be displeased with the fact no progress was being made. Further, Philipsborn told me that his father held a mortgage of about \$20,000 on the house which Cross owned. It soon became evident to me that unusual and undue pressure was being exerted in this matter, and I became apprehensive as to the outcome.

Inasmuch as no compromise had been reached, I obtained permission from the individual union members and from the international union to call a strike at the expiration of the old contract. When I told George Stuart, who was my superior officer, of the situation and of the contemplated strike action, he told me the workers would not be permitted to strike, that the company was not making money, and that I should make every effort to prolong the negotiations.

Again I felt there was undue pressure in this matter and I realized I did not have full authority to proceed as I would normally and that I would have to compromise. I did believe and understand that there was a close friendship between Cross and Philipsborn and I was apprehensive of the fact that serious trouble might befall me unless I compromised. Thereafter, we signed a compromised contract which was in effect from January 1, 1955, until September 30, 1956.

I would like to state that the contract was a decided improvement over the old one which had expired, but also that it was substantially less than what was asked for and materially lower in benefits as compared with contracts in force in similar bakeries elsewhere. This was a poor contract in my opinion and I feel a better one could have been obtained.

I continued to service the local union in Zion, Ill., until the merger of that union into local union No. 1 in Chicago, Ill., in approximately April 1956. From the date of the merger the servicing of the members in Zion and the negotiation of a new contract have been handled by Peter Carbonara and Anthony Conforti of local union No. 1.

As a result of my experience and knowledge of the Zion bakery plant contract in the past, Peter Carbonara conferred with me as to the method and procedure to be followed in negotiating a new contract. Subsequently, Carbonara told me he had experienced great difficulty in this matter, that a new contract had not been negotiated but that the old one had been extended through December 1957 with no change in the provisions by George Stuart, that George Stuart had assumed the duties of handling this matter, and that Stuart had taken away the strike permission which he, Carbonara, had been granted.

In addition, in about February or March 1957, I was in a conversation with George Stuart and Anthony Conforti at the latter's offices. During that time Stuart told Conforti he had extended the old contract to December 1957 with no change in the provisions of the old contract. In addition, Stuart told Conforti that Philipsborn indicated that for agreeing to this extension he would permit the

candy plant, which had not then been organized, to come under the same contractual provisions beginning in April 1957. In effect, it was evident to me that this arrangement provided for Philipsborn turning the candy plant over to be unionized without an election being held, or without the knowledge of the rank and file at the candy plant.

(Signed) JOHN KLANSEK.

Subscribed and sworn to before me this 12th day of June 1957.

PETER P. CONGIAT, *Notary Public*.

The CHAIRMAN. All right, Mr. Cross. Is there anything in that which you wish to comment on?

Mr. CROSS. I would like to see it, Senator McClellan, if I may, because I heard several untruths in it.

The CHAIRMAN. You may see it.

Mr. CROSS. Or misstatements of fact. I don't want to be too harsh with him.

The CHAIRMAN. All right.

(Document handed to witness.)

Mr. CROSS. Senator McClellan, should I comment on those I wish as I go along?

The CHAIRMAN. Yes.

Mr. CROSS. At the bottom of the first page, in the third paragraph, he makes a statement that both of these plants are located on the same property. He doesn't have his facts straight there. That is not so.

The CHAIRMAN. All right. That is number one.

Mr. CROSS. And, of course, on the date of this, he says the candy plant is not organized. The candy plant is organized and has a signed recognized contract.

The CHAIRMAN. I believe he said not to his knowledge. What date was it organized?

Mr. CROSS. January 1957.

The CHAIRMAN. How would the men not know about it?

Your own organizers out there, how would he not know that the plant was organized?

Mr. CROSS. This man?

The CHAIRMAN. Yes.

Mr. CROSS. Because he wasn't assigned to that local union in that plant at that time. He was busy on other contract negotiations throughout the area.

The CHAIRMAN. Is he in that area?

Mr. CROSS. Yes; but he only takes assignments in that area where he is assigned.

Mr. KENNEDY. You say that candy plant was organized in January of 1957?

Mr. CROSS. Yes, sir.

Mr. KENNEDY. Was a contract signed in January of 1957?

Mr. CROSS. No, sir.

Mr. KENNEDY. When was the contract signed?

Mr. CROSS. I think the contract has just been completed around the first—I would have to call on Vice President Henry Alvino who did the negotiations in conjunction with the local and signed the contract.

Mr. KENNEDY. Wasn't the contract signed for the candy plant within the last several weeks?

Mr. CROSS. The wage and hour provisions of it, but the recognition of it is what I am talking about.

Mr. KENNEDY. I am sure that is what he is talking about. There was no contract made.

Mr. CROSS. He didn't say that, Mr. Kennedy.

Mr. KENNEDY. So that the record is clear, there has been no contract signed up until the last couple of weeks.

Mr. CROSS. I wouldn't even agree to that. I would have to ask Vice President Alvino, because I don't handle these at all.

The CHAIRMAN. Has a contract been signed?

Mr. CROSS. Yes, sir; to my knowledge it has.

The CHAIRMAN. When was it signed?

Mr. CROSS. That I am not sure. With all this going on, I don't read these reports like I should, but I can ascertain for you from my office.

The CHAIRMAN. Have you any idea?

Mr. CROSS. It must have been within the last month.

The CHAIRMAN. All right.

You may supply the exact date, the accurate date.

Mr. CROSS. Thank you.

The CHAIRMAN. Proceed.

Mr. CROSS. In the first paragraph, on the next page, and I am only doing this to show that his information could be wrong on a lot of things, he says that until approximately 1950 or 1951 I serviced the plant. I never serviced that plant after 1948 because it was that year I became assistant secretary-treasurer of the organization and gave up the negotiations of the contract.

The CHAIRMAN. You did service it at one time?

Mr. CROSS. From 1942 until 1949, sir.

The CHAIRMAN. His date is about 2 years off base.

Mr. CROSS. Whichever it is.

The CHAIRMAN. Well, about 2 years.

Mr. CROSS. Two or three.

The CHAIRMAN. Between 2 and 3 years.

All right, proceed.

Mr. CROSS. I think it is important to point out that the candy plant was not organized, although efforts were made about 1949 to do so, I did organize——

The CHAIRMAN. Is that what he says?

Mr. CROSS. Yes. I did organize it in 1949, I did have the majority of the people, I did file for a National Labor Relations Board election in the fall of 1948, but then on taking up my duties as assistant secretary-treasurer, I turned it over to Director of Organization Sims and he withdrew the petition for certification himself, signed under the direction of our Research Director Andrew Myrup, in 1949, as the records of the National Labor Relations Board will show.

The CHAIRMAN. Why would he withdraw it?

Mr. CROSS. He stated in here because the company wouldn't agree that our organization was a labor organization.

The CHAIRMAN. Well, was it?

Mr. CROSS. I certainly think so.

The CHAIRMAN. Why did he make that concession?

Mr. CROSS. Sims? I don't know.

The CHAIRMAN. With all your close association with him?

Mr. CROSS. With Sims? I didn't have much close association with Sims.

The CHAIRMAN. He has been in the international organization; has he not?

Mr. CROSS. With me, since 1953.

The CHAIRMAN. I just do not understand that procedure. Go ahead.

Mr. CROSS. I don't either.

Mr. HARRIS. Mr. Chairman, we have a transcript.

Mr. CROSS. We have a transcript of the NLRB procedure in here that states the withdrawal and the reasons.

The CHAIRMAN. That may be true. I did not question it. I just do not understand if you had applied for an election, you must have thought you had a majority of the men. You said it was organized.

Mr. CROSS. It was. I organized it.

The CHAIRMAN. Did you make a contract?

Mr. CROSS. No; because it was turned over to Sims and he withdrew the certificate for certification.

The CHAIRMAN. What do you mean organized? Do you mean after you have a contract?

Mr. CROSS. No; in this I mean having a majority of the people signing on applications.

The CHAIRMAN. You have a majority of them, but you have not established your bargaining rights, and the purpose of the application was to hold an election so you could establish bargaining rights, so that the company would be required to officially negotiate a contract with you?

Mr. CROSS. Yes. This Director of Organization Sims handled and withdrew the case from the board, because it was alleged by the company that we were not a proper union, or whatever language is used.

The CHAIRMAN. It looks to me like you would have accepted that challenge.

Mr. CROSS. If I had known about it, I certainly would have, after working so hard to get it. I didn't do all the work, either. It was three ladies from the Zion biscuit plant that assisted us very thankfully there.

I would submit very respectfully, Senator, that Mr. Klansek's comments on the fact that the contracts are not in his opinion standard with the others, I would suggest, if I may prepare and serve for the record—I don't want to burden it now, but I could give you the copies of the contracts in existence with the independent biscuit companies throughout this country of the same size and stature, and the contracts and provisions that are in the Zion, and show that they are not substandard. I admit that they are substandard to the huge chains like National Biscuit, Sawyer Biscuit, and Sunshine Biscuit.

The CHAIRMAN. I thought this had gone into a big company and that is why you were able to organize it.

Mr. CROSS. No. We are talking about 50 people, Senator.

The CHAIRMAN. I thought it joined a big union. What was it a while ago about it merged with some other union?

Mr. CROSS. The local union itself, the workers, merged with another local union.

The CHAIRMAN. But the big union does not necessarily mean you would get the high standards of wages because it happened to be a big union?

Mr. CROSS. No, sir.

The CHAIRMAN. That same local might negotiate 1 contract with 1 a wage base, and another wage base with another.

Mr. CROSS. You are very correct, Senator. They have several standards of agreements within their own local union.

The CHAIRMAN. So in your opinion that is standard or practically standard for that category of business?

Mr. CROSS. Yes. The biscuit plant itself is standard and the candy plant is better than standard in their wages.

The CHAIRMAN. All right.

Proceed.

Mr. CROSS. I can't help but comment. He says that there was a wide difference between what was offered and what the workers demanded. That is always the case when we start negotiations.

The CHAIRMAN. There is one thought I have, but go ahead and finish that. I want to clear up something in here.

Mr. CROSS. I certainly think, Senator, that it takes comment that Philipsborn, Jr., or Colonel Philipsborn, stating to a negotiating committee that his father was a personal intimate friend of mine was an employer's use to workers in an attempt to influence them, but they should have contacted me, and I would have soon told them that I have released strike permission against this company ever since I have been president of this international union, which I did in 1956.

The withdrawal, George Stuart and no one else, including me, had the right to withdraw, if he did it. It must go to the general executive board.

The CHAIRMAN. Do you mean the withdrawal of it was illegal from your union standpoint?

Mr. CROSS. If it was withdrawn. I don't accept his word that it was withdrawn.

The CHAIRMAN. Do we not have a letter in the record that it was withdrawn?

Mr. KENNEDY. Do you deny that it was withdrawn?

Mr. CROSS. I didn't deny it. I said Stuart may have withdrawn it, but not from the international union.

Mr. KENNEDY. I thought you said earlier you withdrew it because of the fact of the candy plant.

Mr. CROSS. I didn't say we withdrew it. We held up exercising strike until we could make an arrangement with the company to withdraw their opposition to the organization of the candy.

Mr. KENNEDY. If you can remember it being granted, you must remember it being withdrawn.

Mr. CROSS. On our official strike release signed by me, October 1, 1956, and this is some months after the loan that is alleged was given to me:

Local No. 1, Chicago, Ill., has requested strike permission against Zion Industries, Inc., because of failure to conclude a satisfactory agreement. There are 120 members involved, and they voted to seek strike permission. It is recommended that strike permission be granted to Vice President Stuart to be released by him if final adjustment efforts fail, and he has determined that the local union is in full compliance with all Federal and/or State regulations.

Once this is released, there are only two ways that it can become inoperative. One is the fact that it expires at 60-day time, and the other is that the general executive board would reverse their decision.

Mr. KENNEDY. Is that what happened in this case, so that we get the record clear?

Mr. CROSS. As I understand in this case, there was testimony that it was withdrawn.

To my knowledge, I know of no strike permission being withdrawn. I know of strike permission being held up until we completed whatever necessary arrangements we had with the Zion Biscuit Co. in order to successfully conclude the organization of the candy plant, and this, Mr. Kennedy, to answer one of your questions before, is a very common practice in the union, to use the influence of one plant to organize another of the same company.

Mr. KENNEDY. I am not denying that. You said there was no connection between the two. My point was there was definitely a connection between the candy plant and the bakery.

Mr. CROSS. They seem to be by the same owners. They are not in the same building.

Mr. KENNEDY. And the discussions you had with Mr. Philipsborn were in connection with both of them.

Mr. CROSS. As far as the recognition of the candy is concerned; yes, sir. I didn't interfere in either way with the negotiations of the wages and the working conditions.

Mr. KENNEDY. You agreed in discussions what the contract would be as far as the bakery is concerned.

Mr. CROSS. No, sir.

Mr. KENNEDY. And the candy plant.

Mr. CROSS. Only the candy for recognition. The terms of the bakery and the candy would be worked out by the local union and its membership and not by me. There is only one negotiation that I ever got into as an international officer, and that is with the National Biscuit Co.

Mr. KENNEDY. Are you finished?

Mr. CROSS. Not yet. I certainly hope that no one holds me responsible for the statements of a vice president, or the alleged statements of a vice president, such as this states.

Mr. KENNEDY. What were they, what were those statements?

Mr. CROSS. It says:

When I told George Stuart, who was my superior officer, of the situation of the contemplated strike action, he told me the workers would not be permitted to strike, that the company was not making money, and that I should make every effort to prolong the negotiation.

The truth of the matter is he had strike permission at that particular time, and our records show that we have had strike permission issued to this company, Senator, every year since they have been negotiating, and never once has the local union exercised that option of their own free will.

The CHAIRMAN. I do not know how you operate, but if you give a strike permit and then the vice president goes down and says, "Hold up, don't do it," what are they expected to do then?

(The witness conferred with his counsel.)

Mr. Cross. Once they have done that—I have done it many times myself, Senator, and said to a local union, “I don’t think it is a wise thing to do by going out and strike” and the membership by a valid vote have voted me down and they have gone out on strike.

The CHAIRMAN. I understand. But in this instance, if I recall the testimony, the strike permit was issued about October 5 or a few days later. Is that correct?

Mr. Cross. Yes. My letter is dated October 1.

The CHAIRMAN. October what?

Mr. Cross. October 1.

The CHAIRMAN. A few days later they got a telephone call from George Stuart out in California, out in San Francisco, I believe, when you were out there, telling them to return that permit, or getting it withdrawn. George Stuart was vice president, was he not?

Mr. Cross. Yes.

The CHAIRMAN. Would he have authority to withdraw?

Mr. Cross. No, sir. He would have authority to advise them that he would like to hold it up temporarily, until he got back from the city that he was in, or until other—

The CHAIRMAN. They have used the term here in their testimony that it was withdrawn.

Mr. Cross. I think that is a misnomer or something. It can’t be withdrawn except by action of the board, or automatic running out. It runs out at 60 days.

The CHAIRMAN. You mean if you follow your constitution, it should not be?

Mr. Cross. That is right, sir.

The CHAIRMAN. But some officer might tell them to, or they might act on the advice or direction of that officer.

Mr. Cross. It could happen. Then he should be charged with violation of the constitution.

The CHAIRMAN. All right.

Proceed.

Mr. Cross. I think it is well to point out that he states that through it all he thinks he could have gotten a better contract, but at the same time he concludes by saying:

I would like to state that the contract was a decided improvement over the old one.

The CHAIRMAN. I noticed that.

Mr. Cross. When he says “It is lower in benefits as compared to contracts in force in similar bakeries elsewhere,” he is only judging by what he himself thinks, and not what the record at the international office will show.

And, Senator, I will say, respectfully, on the last two paragraphs, and I will cut it as short as I can, he is talking about what Carbonara did, and so forth, this is the part here where the delay in signing the biscuit contract was caused directly by myself and Vice President Stuart negotiating with the company as far as the candy plant is concerned for recognition of it.

We made a pledge to the company that we would not reveal it to our local union officers because the company wanted the right and the opportunity to go back to the Zion supervisory help, such as their manager, superintendent, and their foremen, in order to tell them

that their attitude had not changed, their antagonism towards the union, and that they wouldn't openly and hard fight the organization of their candy plant.

That is the reason for the delay of this couple of months.

The CHAIRMAN. What is meant by autonomy?

Mr. CROSS. Pardon, sir?

The CHAIRMAN. You say the locals in your union, your international union, have absolute autonomy?

Mr. CROSS. Yes, sir.

The CHAIRMAN. Why could they not strike if they wanted to, if you grant a permit or not?

Mr. CROSS. Once they go through the procedure of voting and meeting the laws—

The CHAIRMAN. Why do they have to get a permit?

Mr. CROSS. They don't have to.

The CHAIRMAN. What is this practice for?

Mr. CROSS. I think it was at the last convention that we changed it, where the only benefit they get from that outside of possible support of other international unions, where it is a sanctioned strike rather than a so-called wildcat—

The CHAIRMAN. The purpose of it is what?

Mr. CROSS. It is \$14 a week.

The CHAIRMAN. That they would get some benefits, strike benefits, from the international?

Mr. CROSS. Yes. Up to the last convention I think it was \$14 a week and then we raised it to \$20 a week.

The CHAIRMAN. All right.

Mr. CROSS. He states in here this arrangement of holding the contract did result in the turning over of the candy plant to be unionized without an election. That isn't exactly so. It was not turned over. We had to get the workers, but the opposition to organization was taken away.

The CHAIRMAN. After the management had been satisfied and were cooperating, they did not have much choice, did they?

Mr. CROSS. I don't know if they had a choice, but they certainly changed their mind after all these years.

The CHAIRMAN. What I was thinking was whether they really had a choice, when the international union and the management get together, without any vote from the working men, and they say it is going to be an organized plant. The working man does not have very much choice, then, except to sign up and go on, does he?

Mr. CROSS. Senator McClellan, we get the majority of the workers—

The CHAIRMAN. I understand.

Mr. CROSS. I am going to answer you. I offer no apology where we put the pressure to get workers into our organization.

The CHAIRMAN. I did not ask you to apologize. I simply wanted to establish that that is a practice where management and the head of a labor organization get together, and then the men who are working there have no choice except to join it, if they are going to hold a job.

Mr. CROSS. If we sign a contract and have the majority of the workers signed, because the Taft-Hartley requires that.

The CHAIRMAN. I understand.

Mr. CROSS. But where we have it, in the others, outside of a few instances where we signed so-called open shop contracts, they must then join the union.

(At this point, Senator Goldwater withdrew from the hearing room.)

Mr. KENNEDY. Let me get the contract clear. As I understand it, Carbonara and his local of approximately 120 members, carried on negotiations in July and August of 1956 to try to reach an agreement with Martin Philipsborn, Jr. They had not been able to reach an agreement so early in October they requested strike permission. According to them, strike permission was granted, and withdrawn, according to you as I understand the strike permission might have been granted but they were told to hold up on it. You had some conversations with Martin Philipsborn, Sr., on the telephone, when you were out in California.

When you came back from California, you had a meeting with Martin Philipsborn, Sr., is that right?

Mr. CROSS. Yes, sir.

Mr. KENNEDY. When did you have the meeting?

Mr. CROSS. Approximately November 15 or 13, somewhere around in there, to the best of my recollection.

Mr. KENNEDY. It seems to me it is of some importance to determine whether at that meeting you discussed the bakery as well as the candy plant. Do you deny that you made an agreement as to the conditions that would be signed by your local for the bakery?

Mr. CROSS. The understanding—

Mr. KENNEDY. Would you answer that question?

Mr. CROSS. I am going to.

Mr. KENNEDY. Would you answer it "Yes" or "No"?

Mr. CROSS. I can't.

Mr. KENNEDY. Go ahead.

Mr. CROSS. The understanding that we reached with Mr. Philipsborn at this time was that he would use his influence on his son to withdraw his opposition to the organization of the candy plant in an exchange for an extension of the biscuit contract under the terms that had already been agreed upon by Mr. Carbonara and his son.

Mr. KENNEDY. Those terms were unsatisfactory to the members of the local and to Mr. Carbonara, correct?

Mr. CROSS. I don't know that, sir.

Mr. KENNEDY. Let us go back. Of course you know it. They requested strike permission, did they not?

Mr. CROSS. Yes, but subsequent to that, they negotiated some terms.

Mr. KENNEDY. No. They negotiated the terms prior to that time.

Mr. CROSS. You know more about it, then, than I do.

Mr. KENNEDY. That is the testimony. They negotiated certain terms, and on certain small, minor items, they agreed, but they could not reach agreement on the major items. That is why they requested strike permission. So they requested strike permission in early October. You came back and met with Mr. Philipsborn, Sr., around the 9th, 10th, or 12th of November, is that right? Right?

Mr. CROSS. The date you probably know as well as I.

Mr. KENNEDY. You agreed at that time that the old contract would be extended for another 12 months?

Mr. CROSS. No, sir.

Mr. KENNEDY. You agreed that it would be extended to December 31, 1957?

Mr. CROSS. No, sir.

Mr. KENNEDY. Did you agree that the old contract with the minor changes that Carbonara had agreed to with Philipsborn would be extended to December 31, 1957?

Mr. CROSS. No, sir, until May 3, 1957.

Mr. KENNEDY. You are sure of that?

Mr. CROSS. I am as sure as I can be.

Mr. KENNEDY. That confirms what Mr. Stuart went in and told the workers, that it would be extended to May 31, 1957; is that right?

Mr. CROSS. I don't know what he told the workers.

Mr. KENNEDY. Carbonara testified that Stuart went in and told the workers that it would be extended to May 31, 1957, when he came back into the office, he said:

I didn't mean that at all. Make out a contract to December 31, 1957.

Do you know anything about that?

Mr. CROSS. No, sir.

Did they do it?

Mr. KENNEDY. Yes.

Mr. CROSS. The contract was extended?

Mr. KENNEDY. Yes. We will go into that. At least you extended the old contract without consulting with your officials, the heads of your locals or membership, you extended the old contract which they would not agree to for 8 or 9 months?

Mr. CROSS. That is not so, and I didn't testify, Mr. Kennedy, if you will pardon me.

Mr. KENNEDY. Did you and Philipsborn not make an agreement as to what the terms of the contract would be?

Mr. CROSS. If it was acceptable by the members of the organization.

Mr. KENNEDY. No. Did you not agree that the contract would be extended, the same wage scale for 1956 would be extended into 1957 and the only changes in the contract would be the minor changes that had been agreed to by Carbonara and Martin Philipsborn, Jr. Do you deny you did that?

Mr. CROSS. I deny what you are saying that I did.

Minor changes? I don't know what the changes were.

I agreed with Mr. Philipsborn and Mr. Stuart that if he would withdraw his opposition to the organization of the candy plant, I would then agree to instruct Mr. Stuart to go to the local union and its membership meeting and see if he could sell those workers on the idea of extending their contract under the terms negotiated by Carbonara in exchange for this candy plant that we had been unable to organize over 20 years.

Mr. KENNEDY. And you are sure that you agreed at that time that it was to be extended to May 31, and not December 31, 1957?

Mr. CROSS. I am sure to this extent, that all I did was agree to the overall policy and not to the details. Mr. Stuart remained with Mr. Philipsborn after I left his apartment.

Mr. KENNEDY. Mr. Chairman, may I ask that the witness, examine this letter?

The CHAIRMAN. All right.

The Chair hands you what purports to be a photostatic copy of a letter dated November 9, 1956, from Mr. Martin M. Philipsborn to Mr. George Stuart. I will ask you to examine it and see if you identify it and if you are familiar with its contents, as president of the international union.

(The document was handed to the witness.)

(The witness conferred with his counsel.)

Mr. CROSS. Senator McClellan, I am familiar with part of the contents of this letter. The details that are explained here were worked out by Director of Organization Stuart and Mr. Philipsborn after I left.

The general policy of the extension of the contract, the recognition of the candy workers, and so forth, I did agree to while there, but Mr. Stuart worked out this extension. As I see it, it is an extension to December 31, 1956, at which time a new contract would go into effect with the terms and provisions as negotiated by Colonel Philipsborn and Mr. Carbonara.

The CHAIRMAN. You had seen the letter before, had you?

Mr. CROSS. I have a photostatic copy of it, sir. That is the first I recall of it. It wasn't in my file and I didn't receive a copy. But when your investigators took this from our office, I got a photostatic copy and it was called to my attention.

The CHAIRMAN. All right. It came out of your office. It may be made exhibit No. 75.

(The letter referred to was marked "Exhibit No. 75" and follows.)

Mr. KENNEDY. I would like to read this letter into the record, Mr. Chairman. It is dated November 9, 1956, the Shoreham Hotel, Washington 8, D. C. It is addressed to Mr. George Stuart, 1145 19th Street NW., Washington, D. C.

DEAR SIR: At a meeting held this 9th day of June at my apartment in Washington, D. C., attended by Mr. James Cross and you, the following was agreed upon:

1. The contract that expired October 1, 1956, and all of its conditions, has been renewed by you until December 31, 1956.

2. On or before December 31, 1956, the union and Zion Industries are to execute a contract for a 12-month period commencing January 1, 1957, and expiring December 31, 1957, said contract to embody all the concessions that Colonel Philipsborn agreed to with your Mr. Carbonara. Otherwise, this new contract is to be identical to the contract which expired October 1, 1956, with the exception that Zion Industries has agreed to include Zion candy plant workers in the contract for 1957 at a wage scale identical to our present 1956 wage scale.

3. There is to be no solicitation or discussion of any kind regarding the candy plant joining the bakery union until after December 15, 1956, and I know you will keep your promise not to go into the candy plant or have anyone connected with the union do so.

May I ask you to make certain that Mr. Carbonara and the head of your local 1 in Chicago and any of the men that work out of said local don't mention the fact that the Zion candy plant will be union after January 1, 1957.

Very truly yours,

MARTIN M. PHILIPSBORN.

That is correct? I read it correctly?

Mr. CROSS. I am sure it was an oversight. You said the 9th day of June. You meant the 9th day of November?

Mr. KENNEDY. Excuse me. What date did you get back from California? Do you know that?

Mr. CROSS. My records would show on the airline. It must have been the 2d or 3d of November.

Mr. KENNEDY. Our records show that you got back on the night of the 8th of November. Would that be correct?

Mr. CROSS. The 8th?

Mr. KENNEDY. Yes.

Mr. CROSS. I don't think so, sir. It might be possible, but I doubt it.

Mr. KENNEDY. That you had seat 14-A, the 8th of November. You left Los Angeles, Calif., at 11:45 in the morning.

Mr. CROSS. There may be a mistake in that. I may have been scheduled, if I may offer, sir, by my office to have returned on that date, but was returning earlier, possibly, because we only had a 1-day board session.

Mr. KENNEDY. Would it have been changed?

Mr. CROSS. There may have been a different ticket issued, Mr. Kennedy. The hotel records would show, Mr. Kennedy, when I left.

Mr. KENNEDY. The ticket shows, at least, that you were leaving on the 8th of November.

Mr. CROSS. When was the ticket issued, Mr. Kennedy? I think it was issued from our Washington office prior, and there was a change in plans. The hotel will show when I checked out.

Mr. KENNEDY. We will check that. At least according to this letter, it is possible that you met on the next day with Mr. Philipsborn, but we will check that. At least when you had the meeting with Mr. Philipsborn, you were discussing the terms of the contract for the bakery workers' union; is that right?

Mr. CROSS. The terms only as it affected it to December 1956, and then the new terms were to be put in as negotiated by Mr. Carbonara.

Mr. KENNEDY. That is not what it says.

Mr. HARRIS. Mr. Chairman—

Mr. KENNEDY. Let me read this:

Otherwise, this new contract is to be identical to the contract which expired October 1, 1956—

and then it goes on.

Mr. HARRIS. Just ahead of that, it says:

said contract to embody all the concessions that Colonel Philipsborn agreed to with Mr. Carbonara.

Mr. KENNEDY. Those are the concessions that we agreed to here. Those are the concessions that have nothing to do with any material concessions. Those are the ones that they didn't need.

Mr. CROSS. You said that. I didn't.

Mr. KENNEDY. That is the testimony of Mr. Carbonara. They wouldn't have requested strike permission if they were ready to agree to those concessions. Those concessions had been made and they were still willing to strike. You were making a contract for them, for the local union.

Mr. CROSS. If I may offer, sir, I am sure, and I don't say this in any disrespect, you may not know all the fundamental principles and policies of our issuing strike permission. We issue strike permission in advance without them ever having one concession, or after they got a lot of concessions.

Mr. KENNEDY. That is not the problem. Mr. Carbonara said he met July and August with Mr. Philipsborn, Jr.; that Mr. Philipsborn, Jr., made certain concessions; that they agreed on certain matters, which were of some minor importance.

Then on the major issues, they could not agree. Therefore, in early October, the union requested strike permission, after taking a vote of the union. They decided to go out on strike. So these concessions they did not feel important at that time.

Mr. CROSS. Mr. Kennedy, if I may be understood, I would be willing to say this: If we could renew a contract under the old terms with the permission of the workers in exchange for an unorganized group of workers, I would recommend doing it as long as they would accept it.

Mr. KENNEDY. You see, there is nothing in this letter that it is going to be submitted to the membership. No. 2, when it was submitted to the membership, it was submitted only to May 31, 1957, and not until the end of the year.

The third thing which is of considerable importance is at that time you had just borrowed \$40,000 from Mr. Martin Philipsborn, Sr., within 2 months of that time.

Mr. CROSS. That isn't so, Mr. Kennedy.

The CHAIRMAN. Just a moment. Let me have that letter. This letter is dated November 9, 1956. When did you borrow the money from Mr. Philipsborn?

Mr. CROSS. August 1956.

The CHAIRMAN. August 1956?

Mr. CROSS. Yes. And then released strike permission in October 1956.

The CHAIRMAN. All right. August. That would be 3 months instead of 2, approximately.

Mr. CROSS. Yes.

The CHAIRMAN. What date in August?

Mr. KENNEDY. What date in August?

Mr. CROSS. The month of August, and I signed the note the first week in September. The note is probably the important part. I signed the note the first week in September, to the best of my recollection. I got to keep saying that.

The CHAIRMAN. September, October, November—that would be 2 months, plus 2 or 3 days, wouldn't it?

Mr. CROSS. Yes.

The CHAIRMAN. I think we might as well get it accurately. It is 2 months and some 2 or 3 days.

Mr. CROSS. Yes, sir.

The CHAIRMAN. All right.

Mr. HARRIS. Mr. Kennedy has been referring to Mr. Carbonara's testimony a number of times, and I think that he should, in all fairness to the witness, tell us what pages of Mr. Carbonara's testimony he is referring to.

The CHAIRMAN. Do you have a copy of it?

Mr. HARRIS. I have it; yes, sir.

The CHAIRMAN. Mr. Kennedy does not have the pages before him. He is speaking from his recollection of the testimony.

Mr. HARRIS. As I read page 654, it says Senator Kennedy—I don't remember Senator Kennedy asking any questions, but anyhow Senator Kennedy asked:

In September and October of 1956, you were carrying on negotiations with Martin Philipsborn, Jr., regarding the contract with the bakery?

Mr. CARBONARA. Yes, sir. That was the first time I met Philipsborn, although the local was under our jurisdiction for 5 or 6 months prior to that. We had a business representative that used to go and take care of the business of the local union. As a matter of fact, in August 1956 or July 1956, 60 days prior to the date of the expiration of the contract, we served notice on Colonel Philipsborn, Jr., that the contract was expiring on September 3, 1956, and we were ready to negotiate a new contract.

Mr. KENNEDY. So you carried on negotiations then; did you?

Mr. CARBONARA. That is correct. First we got a committee of the shop organization—

Mr. KENNEDY. You carried on negotiations?

The CHAIRMAN. Let us not read the whole thing.

Mr. HARRIS. I just want to show immediately after that, it says in the transcript on page 655:

Mr. KENNEDY. And during this period of time, did you find that the negotiations were not successful, that you had with Colonel Philipsborn?

Mr. CARBONARA. Yes, sir.

Mr. KENNEDY. So during the early part of October of 1956, did you request strike permission from the international union?

Mr. CARBONARA. That is right.

I don't see anything in there that shows that there were any concessions gotten up to that point at all. If Mr. Kennedy is referring to some other testimony in here, I think in fairness to the witness he should give us the specific page reference.

Mr. KENNEDY. In the first place, this is what I discussed in some detail with him, with Mr. Carbonara. I will ask Mr. Cross this question:

Were there any negotiations and concessions that had been made by Colonel Philipsborn to Carbonara after October 5, or October 25, and November 8? Were there any?

Mr. CROSS. Mr. Kennedy, it would be impossible for me to answer that question. This is one minute part of my negotiations.

Mr. KENNEDY. As I understand it the concessions that had been made, and they were minor concessions, were made prior to the time the strike permission was requested.

Mr. HARRIS. Are you testifying now?

Mr. KENNEDY. Do you have some information to the contrary.

Mr. HARRIS. Mr. Chairman, if you please, I would like to reiterate the request I made earlier. There are affidavits here. There is at least one other affidavit that I know you have from Martin Philipsborn, Sr., and, I believe, Mr. Kennedy indicated before that he, or I am sure the committee staff, has an affidavit or possibly two, from Martin Philipsborn, Jr., and I think they ought to be put into the record at this time.

Mr. KENNEDY. I do not see how this enters into this discussion.

Mr. HARRIS. Is it not true, Mr. Kennedy, that those affidavits relate to actually who was doing the bargaining and what the bargaining consisted of?

If you will assure me that they have no relationship to the bargaining, to the recognition of the candy plant, or the bargaining con-

cerning a new contract, then I will not make this request. But unless you give me that assurance, it seems to me now is the time to put them into the record.

The CHAIRMAN. Let me make a suggestion here. The chairman has been indulgent. I wish you would address your remarks to the Chair and then make any suggestion to the Chair. The Chair will try to make some ruling on them. But I do not think we are getting very far in the procedure that is now being followed.

Mr. HARRIS. I appreciate that, Mr. Chairman. I will ask again, as I did earlier this afternoon, when the first Philipsborn affidavit was read into the record, that the other Philipsborn affidavits be read into the record at this time.

The CHAIRMAN. The Chair has not seen them. I do not know what they contain.

Mr. HARRIS. I have not seen them either, sir. In asking this, I recognize I am taking a chance.

The CHAIRMAN. If you think this will expedite it, I will be glad to do that. This may be printed in full in the record at this point. I will read the pertinent parts of it.

STATE OF ILLINOIS,

County of Lake, ss:

Martin Philipsborn, Jr., being first duly sworn upon his oath deposes and says:

1. That he is a vice president of Zion Industries, Inc.;
 2. At all times since 1948 he has had complete charge of all labor negotiations;
 3. In October or early November 1956, Mr. Peter Carbonara, of bakers union local No. 1, in Chicago, showed to him a letter from the international union in Washington giving this local union the right to strike if the negotiations between Mr. Carbonara and himself should fail;
 4. At no time thereafter did he speak, write, or telephone to any officer of the international union in regard to such strike permission, nor did he notify his father thereof, as such permission was usual in all negotiations;
 5. Notwithstanding such strike permission, Mr. Carbonara and he continued to negotiate and arrived at agreement on a number of matters;
 6. Sometime thereafter his father called him by telephone to advise that, in fulfillment of a promise of long standing to Mr. James Cross, his father had agreed not to oppose the unionization of the candy plant and that he understood that the existing contract with the modifications upon which Mr. Carbonara and the affiant had agreed would be extended;
 7. He told his father that he hoped that the contract could be extended for at least another 12 months. But when he met with Mr. Stuart in regard to the amended contract early in 1957 Mr. Stuart told the affiant that he was going out to the plants to explain the terms of the amended contract to the union members and to tell him that the contract was to run only until the 1st of June.
 8. At no time has the affiant discussed this matter with Mr. Cross.
- Further affiant saith not.

MARTIN PHILIPSBORN, Jr.

Subscribed and sworn to before me this 7th day of June A. D. 1957.

ERMA M. REYNOLDS,
Notary Public, Lake County, Ill.

My commission expires October 11, 1958.

This is another affidavit from Martin M. Philipsborn, Sr.

AFFIDAVIT

COMMONWEALTH OF PENNSYLVANIA,

County of Franklin, ss:

Martin M. Philipsborn, Sr., being first duly sworn, deposes and says:

I, Martin M. Philipsborn, Sr., sojourning at Blue Ridge Summit, Pa., furnished the following voluntary statement to James F. Mundie, and I agree that

all information may be used by the United States Senate Select Committee on Improper Activities in the Labor or Management Field as required.

(1) That Martin M. Philipsborn, Jr., is vice president and active general manager of Zion Industries, Inc.

(2) That at all times since 1948, Mr. Philipsborn, Jr., has had complete charge of all labor negotiations.

(3) That I have no knowledge of a letter known to my son by Mr. Peter Carbonara, giving the bakers' union, local No. 1, the right to strike if the negotiations between Mr. Carbonara and Zion Industries, Inc., should fail. I also want to state that I did not make any telephone calls to Mr. James G. Cross, Mrs. Ruth Cross, or Mr. George Stuart to discuss any matter in the latter part of October or the early part of November 1956, regarding a strike permission or labor negotiations; nor place any telephone calls to these parties; nor did I receive any calls from the above parties to the best of my knowledge.

(4) That sometime during the year 1949, I promised Mr. James Cross that he could organize the candy plant. Therefore, I did not oppose the unionization of the candy plant, and that there were no additions nor changes of any kind made by me, other than carrying out my promise to Mr. Cross re the unionization of the candy plant.

(5) In regard to the meeting at my apartment, at Washington, D. C., on November 9, 1956, with Mr. James Cross and George Stuart, I wish to state that the only matter discussed was the statement made by Mr. Cross that many years ago I promised him that whenever he wanted to unionize the candy plant, that I would not object and, further, that I was not interfering in any way with the negotiations my son has had or would have with Mr. Peter Carbonara.

I have read this statement consisting of this page and two other pages: the same is true to the best of my knowledge and belief. No threats were made upon me and no rewards were offered, and I sign this statement voluntarily.

MARTIN M. PHILIPSBORN, Sr.

Subscribed and sworn to before me this 17th day of June A. D. 1957 at Blue Ridge Summit, Pa.

LUTHER N. MARTIN, *Notary Public*.

My commission expires February 1, 1961.

This does not appear to be the original affidavit, but it is a copy. I read from a copy.

The original may be printed in the record exactly as it is. Apparently this was taken in longhand and has been transcribed.

One thing I would like to ask you about which strikes me is that I understand your testimony to be that you had been trying to organize that candy plant for several years and had run into opposition all the time from the management. According to Mr. Philipsborn, Sr., here, he promised you back in 1949 it would be all right with him to go ahead and organize it.

Mr. Cross. I am glad you brought it to my attention, Senator, because he couldn't do much else under the Taft-Hartley but tell me I could have it if I could get it.

But every year I went after it, I could never get it.

I understand from your testimony, and I could be wrong, but my recollection is that you stated for years you had been trying to organize this candy plant, and in this instance you went to Mr. Philipsborn, Sr., to get the opposition withdrawn. He says he had given his consent back in 1949.

The CHAIRMAN. This does not imply that he was opposing.

Mr. Cross. He wasn't opposing, but his—I didn't want to say his inferior officers—those working under him in the plant.

You see, Senator McClellan, this candy plant has a normal employee staff of 50 people, and every time I would start to organize that plant, we would run into Easter, Mother's Day, Christmas, or something, and

we would run into 125 people that you couldn't get to to talk to. Every time he defeated me.

It is the expression of a man who says, "If you want to go get them, I have no opposition." He naturally couldn't have, under the law.

The CHAIRMAN. That is a whole lot different. He says:

Sometime during the year 1949 I promised Mr. James Cross that he could organize the candy plant.

Mr. Cross. And I did. Senator McClellan, and Sims walked out after I had it.

The CHAIRMAN (reading):

Therefore, I did not oppose the unionization of the candy plant, and that there were no additions nor changes of any kind made by me other than carrying out my promise to Mr. Cross re the unionization of the candy plant.

Mr. Cross. Yes, sir, Senator McClellan, and in 1949 I did get it and did petition the National Labor Relations Board for certification, at which time we changed office positions. I was then assistant secretary-treasurer and Curtis Sims came in as director of organization. He is the one that withdrew the petition.

From that time on until I became president, I never had the opportunity to again organize any of the plants because my duties didn't carry me in that field.

The CHAIRMAN. Let us settle one thing.

Is what he says there true, that he gave his permission in 1949 and he never made any opposition to it thereafter?

Mr. Cross. Because he was never connected with the labor relations of the company thereafter, and in 1949 I did have it.

The CHAIRMAN. You went back to him when he was not connected with it in 1956?

Mr. Cross. We are both in agreement, Senator.

The CHAIRMAN. He was not connected at any time since 1949?

Mr. Cross. But in 1956 I was in a position to threaten a strike on his biscuit plant that could never have effectively been carried out unless——

The CHAIRMAN. You were in that position in 1954. That contract was renewed in 1954 on the biscuit plant.

Mr. Cross. No, sir. If you may allow me, in 1954 it was still an isolated local union of 150 people. But in 1956, it was then in an organization of seven or eight thousand people, and it had the added strength of that organization, which would then be able to support a strike in the city of Zion.

The CHAIRMAN. All right, Mr. Kennedy.

Mr. KENNEDY. There is some question about reading the testimony. I am glad you brought it to my attention.

On page 666, regarding your objections to my use of the word "minor" changes in the contract, Mr. Carbonara states on page 666:

When he came out in February, George Stuart told the people in the meeting that the contract will be in force until May 31, 1957, the old contract, plus the minor changes that we had agreed to with Colonel Phillipsborn and plus the organization of the candy plant. The contract was going to be for the bakery and the candy plant.

Mr. KENNEDY. And that was to be up to the end of May 31?

Mr. CARBONARA. May 31, 1957.

Mr. KENNEDY. What did the membership think of that?

Mr. CARBONARA. Well, they didn't feel so good about it, but they thought that we would get along with it until May 31, and they approved of the suggestion of Mr. Stuart.

Mr. KENNEDY. During this whole period of time, now, the membership was still disturbed about what had happened?

Mr. CARONARA. Yes. There was some disturbance reported sometimes from the business agent that would take care of that plant.

Mr. CROSS. Senator McClellan, did I understand Mr. Kennedy to say that the people did vote and go along with this May 31 extension?

Mr. KENNEDY. Yes. Of course, that creates this problem of the letter that Colonel Philipsborn wrote. It says that the contract is going to be extended through December 31, and that you had agreed to that.

George Stuart goes out and tells the membership it would only be to May 31, and then they go back and draw up a contract which is extended through December 31.

Mr. CROSS. If I may, Senator McClellan, the thing is that the May date holds up, because subsequent to all this letter and conversation and the May extension which was voted upon by the workers, we have negotiated a new agreement which has been ratified by the rank-and-file members.

Mr. KENNEDY. Since this investigation began?

Mr. CROSS. No; since the May 31 expiration, which we agreed to before this investigation began.

Mr. KENNEDY. Have you got the contract here, Mr. Kopecky?

Mr. Chairman, here is committee exhibit No. 49, which shows the agreement of January 1, 1957, to December 31, 1957.

The CHAIRMAN. This is an exhibit which has already been placed in the record, which has already been sworn to, exhibit 49. You may comment from it or question about it.

Mr. KENNEDY. So that we get the record clear on your loan, it was a \$40,000 loan made, and what was the date? August or early September 1956?

Mr. CROSS. August 1956.

Mr. KENNEDY. And that was for the purchase of a home for you in Palm Beach, Fla.?

Mr. CROSS. Yes, sir.

Mr. KENNEDY. Were you aware of the fact that this loan to you was not recorded until March 1957?

Mr. CROSS. Well, I must say again that recording a note—I am not familiar with that. I had borrowed \$57,600 from this gentleman in 1955, and I signed a note, and my wife signed it to pay interest. We did pay the note off in a period of 9 months because of the organization taking over the mortgage on the home, which they still hold, and we paid that off just on a note signed by my wife and I, and we made the same arrangement for this \$40,000 note in the same way. My wife and I signed it.

Recording, I am not a lawyer, I know nothing about that. I had made loans before: I have paid them back. I did pay interest.

Mr. KENNEDY. The one for \$40,000, that loan was a second mortgage; is that right? That was to purchase your home in Palm Beach, Fla.?

Mr. CROSS. Pardon?

Mr. KENNEDY. Was that for a second mortgage on your home?

Mr. CROSS. I must explain again, Mr. Kennedy. It was originally intended as a first mortgage. But I was unable to sell my West Palm Beach home that was valued, with its furniture, at \$17,500. I wanted

to sell that and to cash in some stocks that I held, and then that would take care of the balance between the \$40,000 which was to be a first mortgage. However, I was unable to do that, so it had to be transferred as a second mortgage, holding the West Palm Beach and this new home as the collateral on the note.

Mr. KENNEDY. How much was the first mortgage?

Mr. CROSS. Twenty-five thousand dollars.

Mr. KENNEDY. The first mortgage was \$25,000 and the second was \$40,000; is that right?

Mr. CROSS. Prudential Life Insurance Co. carries it at 5½ percent.

Mr. KENNEDY. The first mortgage?

Mr. CROSS. Yes, sir.

Mr. KENNEDY. Why did you not get them to put up the whole amount?

Mr. CROSS. I don't think they would do it. I don't know.

Senator CURTIS. What was the purchase price of the home?

Mr. CROSS. The purchase price was—I have to figure this out. They returned some money to me. \$63,500, including furnishings and furniture. It is a six-room brick home.

Senator CURTIS. When did you buy it?

Mr. CROSS. The closing date was November 1956, immediately following the convention. The money was borrowed in August. We put the downpayment, or the earnest money, as they call it, in June or July of 1956.

Senator CURTIS. How much do you still owe?

Mr. CROSS. I owe the Washington bank \$40,000 minus whatever I paid, and I owe Prudential the 25 minus whatever I have paid during this interim, which is very minor, the monthly payments.

Senator CURTIS. Does the Washington bank have any security?

Mr. CROSS. Yes, sir; for every penny of it. They gave me \$10,000 on a mortgage on that West Palm Beach home, and I put up collateral for a \$16,000 loan, and a friend put up on a promissory note and my wife and I, we got \$14,000, and a friend, an associate of mine in the organization, put up collateral for that promissory note of \$14,000.

Senator CURTIS. When did you refinance in the Washington bank?

Mr. CROSS. I did following the charges and probably the investigation here, because of my desire to protect a man and what misinterpretation might have been upon this loan, which has now proven that my thinking was correct on it.

Senator CURTIS. If you had not refinanced that when this matter came to light, you would still owe Mr. Philipsborn?

Mr. CROSS. I would have owed him for 5 years. I had a demand note payable in 5 years' time, \$8,000 a year for 5 years at 4 percent interest, sir.

Mr. KENNEDY. Who put up the \$16,000 collateral?

Mr. CROSS. \$14,000. I put up the \$16,000.

Mr. KENNEDY. Who put up the \$14,000?

Mr. CROSS. Mr. Max Kralstein.

Mr. KENNEDY. You borrowed on another occasion, back in 1959, \$56,000, did you say, from Mr. Philipsborn?

Mr. CROSS. I am sure you meant 1955.

Mr. KENNEDY. Was it \$56,000?

Mr. CROSS. You said 1959. You meant 1955.

I borrowed \$57,600 at 3 percent interest at that time, held it for 9 months, and when the organization took over the mortgage on the home, as they did on every other officer that they transferred to Washington, I was then able to reimburse Mr. Philipsborn.

Mr. KENNEDY. Our records show that that was also unrecorded. Were you aware of that?

Mr. CROSS. Wouldn't it be he that would have to record it?

Mr. KENNEDY. Yes.

Mr. CROSS. I don't know. I signed and my wife signed a demand note at 3 percent. I think it was what you would call that.

Mr. KENNEDY. Do you know why he would loan you \$57,600 on this home and not record it?

Mr. CROSS. I wouldn't know that.

Mr. KENNEDY. And then, a couple of years later on, loan you \$40,000 on your home in Palm Beach and not record it?

Mr. CROSS. I suppose the second loan was because my credit was good in paying back the first loan.

Mr. KENNEDY. The money you used to pay back the first loan came from the union; is that right?

Mr. CROSS. Yes, sir; because the organization—at the time, I would have never borrowed this money for the Washington home in the first place, except that the organization was at that time moving from Chicago to Washington its international headquarters and had in the process an arrangement whereby the organization would take the mortgage of the homes and we would then pay 3 or 4 percent interest, 4 percent as it developed.

They would hold the mortgage and we would pay off the premium and we would pay it off in the normal mortgage manner. I told Mr. Philipsborn this, that I needed the money in the interim, while my office was moving.

He gave it to me. We held it 9 months and paid it back.

Senator CURTIS. This man that put up \$14,000 in securities for the Washington National Bank, who was that?

Mr. CROSS. That was Vice President Kralstein.

Senator CURTIS. He was a union official up in New York, for whom they had a testimonial dinner?

Mr. CROSS. They have had a testimonial dinner for him; yes, sir. But this is not moneys from that dinner. This is his personal moneys.

Senator CURTIS. The money from the dinner became his personal money, too, did it not?

Mr. CROSS. Yes, sir; I hope so. But if you will pardon the way I put it, it is moneys that he had in his personal savings prior to this testimonial dinner, his life savings, incidentally.

Mr. KENNEDY. Mr. Chairman, it was at this time that I was going to introduce the affidavit of Mr. Philipsborn, Sr. Now that it is in, I would like to ask Mr. Kopecky to testify on a matter concerning that affidavit.

The CHAIRMAN. He has already been sworn. Take the stand, Mr. Kopecky.

TESTIMONY OF GEORGE M. KOPECKY—Resumed

(Members of the select committee present at this point were Senators McClellan and Curtis.)

Mr. KENNEDY. Mr. Kopecky, did we subpoena certain telephone records?

Mr. KOPECKY. That is right; yes.

Mr. KENNEDY. Were we able to get some from Martin Philipsborn, Sr.?

(At this point, Senator McClellan withdrew from the hearing room.)

Mr. KOPECKY. We were able to obtain some from Martin Philipsborn, Sr., telephone and also from certain hotels in San Francisco and also, from the residence of Mr. Cross.

Mr. KENNEDY. And did we obtain those telephone calls during the period of time that the negotiations were going on concerning the contract out at Zion, Ill.?

Mr. KOPECKY. During the period of time that the contract negotiations were going on and during the time that the local union officials were experiencing difficulty.

Mr. KENNEDY. Did we find specifically on October 16, 1956, at 7 p. m., that Martin Philipsborn, Sr., called Stuart in San Francisco?

Mr. KOPECKY. That is right.

Mr. KENNEDY. And that he talked for 5 minutes?

Mr. KOPECKY. That is correct.

Mr. KENNEDY. Keep in mind that Philipsborn, Sr., stated in his affidavits:

I also want to state that I did not make any telephone calls to Mr. James G. Cross, Mrs. Ruth Cross, or Mr. George Stuart to discuss any matter in the latter part of October or the early part of November 1956, regarding a strike permission or labor negotiations; nor place any telephone calls to these parties; nor did I receive any calls from the above parties to the best of my knowledge.

Mr. KOPECKY. I am aware of that.

Mr. KENNEDY. Then on October 16, the same day at 11 o'clock, did he talk to his son in Chicago, Ill., for 12 minutes?

Mr. KOPECKY. There is a telephone ticket and the heading from his residence in Blue Ridge Summits to the residence of his son.

Mr. KENNEDY. And there were the 2 other calls on the 16th and the 18th of October?

Mr. KOPECKY. That is correct.

Mr. KENNEDY. Then on the 22d, on the 22d of October, was there a telephone call from Martin Philipsborn, Sr., at 3 a. m., to James Cross in San Francisco?

Mr. KOPECKY. That is correct.

Mr. KENNEDY. And then on this same date did he call Mr. Cross in Bethesda, Md.?

Mr. KOPECKY. To the home of Mr. Cross. Mr. Cross was in San Francisco and he spoke to the person at the house; yes.

(At this point, Senator McClellan entered the hearing room.)

Mr. KENNEDY. Then on October 27, 1956, at 7:55 a. m., did James Cross in San Francisco call Martin Philipsborn, Sr.?

Mr. KOPECKY. That is correct. The toll ticket from the hotel indicates that.

Mr. KENNEDY. On October 31, 1956 at 8 a. m., did Martin Philipsborn, Sr., call James Cross in San Francisco?

Mr. KOPECKY. That is correct, for a period of 3 minutes.

Mr. KENNEDY. At 2 p. m., on that same day, did Martin Philipsborn, Sr., call James Cross in San Francisco and talk for 3 minutes?

Mr. KOPECKY. That is correct.

Mr. KENNEDY. That is all.

The CHAIRMAN. Those tickets may be made "Exhibit 76" for reference.

(The documents referred to were marked "Exhibit No. 76" for reference and may be found in the files of the select committee.)

The CHAIRMAN. Are there any further questions of Mr. Kopecky?

Mr. KENNEDY. That is all.

TESTIMONY OF JAMES G. CROSS, ACCOMPANIED BY HIS COUNSEL, ABRAHAM J. HARRIS—Resumed

Mr. CROSS. Did you ask me a question?

Mr. KENNEDY. I was just putting them into the record.

You said, as I remember, you might have talked to him on the telephone.

Mr. CROSS. Yes, and I told you why. I think it shows the concern, because he called my wife after this incident happened in San Francisco. One of those calls seems to be around 5 o'clock in the morning, San Francisco time, which he forgot about.

Mr. KENNEDY. As I also remember, I think you said you might have talked also about the bakers at that time.

Mr. CROSS. I said I might have, but I think the main topic of conversation was the San Francisco incident at that time.

The CHAIRMAN. The San Francisco fracas?

Mr. CROSS. You said fracas.

The CHAIRMAN. No, the witness called it a fracas.

Mr. CROSS. I called it an incident.

The CHAIRMAN. Is that the incident out there where somebody said Stuart had a gun in their back?

Mr. CROSS. I don't know if they said that, Senator McClellan, but I have never had a gun.

The CHAIRMAN. They said Stuart.

Mr. CROSS. I don't know anything about that.

The CHAIRMAN. What incident are you talking about out there, that he would be calling up at that time in the morning?

Mr. CROSS. The newspaper publicity on the incident that has been discussed at this hearing.

The CHAIRMAN. The same incident that was termed a fracas?

Mr. CROSS. Yes.

The CHAIRMAN. And he read it and called you up?

Mr. CROSS. He called me. He has a paternal fondness for this family.

You know, Senator McClellan, on this, may I read a letter addressed to my wife, which is part of this whole story, to my wife from this gentleman? It is connected also with this note and these moneys.

The CHAIRMAN. You may read that part of it that is pertinent.

Mr. CROSS. I understand that the committee has copies of this, or has the original, I am not sure which.

Fortunately, or unfortunately, it has a date, saving the envelope that my wife has a habit of doing, showing August 27, 1956: It says:

DEAR RUTH: Excuse the scratch pad. I enclose a check for \$40,000. Please tell Jim to make it a demand note, interest 4 percent. This very low with new increase in rates. Interest payable semiannually or any other way that may be preferred. I believe that a letter to me saying the house in Florida is collateral—this is in his handwriting—

is collateral to note would be proper. Otherwise, a straight note by both will suffice, unless Jim has some other idea. As I wrote Jim to the office, it was fine to have seen you last Sunday, and I found Dolores very lovely and quite mature. I know you will enjoy meeting my brother Ferd in Paris. I will be here 'till middle October probably and hope you all will come up again for a weekend any time.

The rest just goes on to visiting him in the weekend. This letter is dated and has an envelope postmark by the United States Government of August 27, 1956.

MR. KENNEDY. Were you in this room out in San Francisco where the beating of Joe Kane was supposed to have taken place?

MR. CROSS. No, sir.

MR. KENNEDY. You were not?

MR. CROSS. No, sir.

MR. KENNEDY. You know nothing about it?

MR. CROSS. Nothing at all.

MR. KENNEDY. His testimony to the contrary is incorrect, is that right?

MR. CROSS. I will say the same as I voluntarily told the grand jury in San Francisco, waiving immunity. These other witnesses were subpoenaed. I went voluntarily, and I told the grand jury exactly what I am telling you now.

I was asleep in my room. I was not there.

MR. KENNEDY. I just have a few more questions, and perhaps we can finish.

THE CHAIRMAN. Let me ask you a question. Did you get any report on what occurred?

MR. CROSS. At 9 o'clock Monday morning, Bill Ring, our union label publicity director, called my room and said a reporter called him and said there had been some disturbance among some of the delegates in one of the hotels and they claimed I was involved. I told Bill to quit kidding me, that I was at a convention, and I was too busy to be bothered by jokes at this time.

THE CHAIRMAN. What I am trying to—

MR. CROSS. I will give you the details, Senator McClellan. I got the details at 1 o'clock, Monday morning.

THE CHAIRMAN. Whatever the details were, did you regard such action as was taken out there as efforts to intimidate or coerce or to influence by force and violence the actions of the delegates to that convention?

MR. CROSS. I am sorry, Senator, I didn't get the first few words of your question.

THE CHAIRMAN. From the reports that you received about it, from what you said or learned about it or know about it, do you regard the incident that took place out there as an attempt to intimidate, influence by threat and violence, coerce in any way, the actions of delegates of that convention or any one delegate or two or more?

Mr. CROSS. The report that I got, Senator McClellan, from those supposedly involved in it was that it had nothing at all to do with the convention, that they went up to discuss some program for the convention and that somebody got smart with Stuart and Stuart hit him and that was the end of it.

The CHAIRMAN. At 3 or 4 o'clock in the morning?

Mr. CROSS. When they got together, I am not responsible for, Senator.

The CHAIRMAN. I know you are not responsible. The only thing I am trying to determine, and this is the only thing I am concerned about, is who got beat up or who did not, or who hit the first lick or the last. I am not particularly concerned about that except whether the union is using force and violence.

Mr. CROSS. No, sir.

The CHAIRMAN. What I want to know is if it did, if you had gone into this in a way which convinced you it was not an effort of that nature, to influence the action of those delegates, and if you did find it was of that nature, then what action would your union take?

Mr. CROSS. If we found any of our men responsible for activities of that sort to influence delegates, we would prefer charges in the structure of the union and deal with them within our organization. It is my understanding the police department looked into this and didn't even press the charges of simple assault.

The grand jury refused an indictment. These delegates, Senator McClellan, that are claiming this, were not influenced or intimidated at all.

The records of our convention, which your committee has, will show that they took up more time of the convention and were given more liberties than all the other delegates put together.

The CHAIRMAN. That may be true. I just want to get the record clear. Personally I do not believe in force and violence in matters of this character, and if the union is engaging in it, if it is condoning it, if it is permitting it, encouraging it, I think the Congress is interested in knowing about it.

This matter came in here, and, according to some testimony, at least, on the part of some of them, it was a very reprehensible incident.

That is all I know.

Mr. CROSS. Senator McClellan, I would not condone it, nor would I put up with it without preferring charges when it comes to intimidating delegates.

The CHAIRMAN. Have any charges been preferred?

Mr. CROSS. The man that they claim was responsible is no longer with this organization.

The CHAIRMAN. What man is that?

Mr. CROSS. Vice President Stuart.

The CHAIRMAN. Had any charges been preferred before he left?

Mr. CROSS. No, sir.

The CHAIRMAN. How long did he remain in the organization?

Mr. CROSS. From November until March.

The CHAIRMAN. For 5 months, then, no charges were preferred?

Mr. CROSS. Right. And those involved didn't prefer any charges at all against him.

The CHAIRMAN. That is all.

Are there any other questions?

Senator CURTIS. Did you ever learn about the beating of this 14-year-old boy in California, either at Van de Kamp's or Golden Crust?

Mr. CROSS. The only thing, Senator Curtis, that I know about that is that I read the testimony here. I know of no 14-year-old boy, but I would agree with the testimony of International Representative Nelson if there was any such thing, the police department of Los Angeles would certainly look into it and punish those that are guilty.

The CHAIRMAN. Just a moment. On that score, that is what I am asking you about. Of course it is their duty under the law. But I want to know what is the duty of your union if your men go out and do a thing like that?

Mr. CROSS. If it is called to our attention and they would do anything like that, we would investigate and if we found it to be true, we would then relieve them from their office in this organization.

The CHAIRMAN. I am glad to hear that statement and I hope it is observed.

Mr. CROSS. It certainly is.

The CHAIRMAN. I just do not believe in intimidation.

Mr. CROSS. I like the reputation that my friend gave me, that I would not even whip a 10-year-old. I like that reputation.

The CHAIRMAN. Well, I would not want to be that weak.

Mr. CROSS. It is good sometimes.

The CHAIRMAN. Go ahead, Counsel.

Mr. KENNEDY. Mr. Carbonara also testified on this matter that the admission papers, I do not know what you call them, were sent, on the orders of George Stuart on this candy plant, were sent to Colonel Philipsborn.

Is that usual procedure, to send these papers to the owner of the plant rather than to try to go around and sign up the members yourself?

Mr. CROSS. I presume when you said "admission" you mean our applications?

Mr. KENNEDY. Yes. I haven't got the right terminology.

Mr. CROSS. You would have to read to me what was said, because I just do not know how that situation up there was handled, outside of an understanding with the company to withdraw their opposition. I would not object if all the companies in the country would sign the union applications for members and give them to us.

Mr. KENNEDY. You do not think that the union members should make that decision and not have them handed the applications by the management?

Mr. CROSS. If they desire to sign the application and want to join our union, I will welcome whoever organizes for us.

Mr. KENNEDY. You would as soon have the management organize for you themselves?

Mr. CROSS. If they will do it for us and will do it; I have never heard of them doing it that way.

Mr. KENNEDY. You do not think you should go to the membership?

Mr. CROSS. I think you should first.

Mr. KENNEDY. Did you in this case?

Mr. CROSS. I didn't. I don't know. It wasn't within my physical possibility to do it.

Mr. KENNEDY. You had some conversations with Philipsborn. Did you make sure or follow up what happened in this matter?

Mr. Cross. I told you, Mr. Kennedy, after I once got these gentlemen introduced to one another and discussed the line they were to follow, I did not go into the details.

Mr. KENNEDY. It says on page 663:

I think when he was in in January—
talking about George Stuart—

he must have met with Colonel Philipsborn, Jr., and Anthony Comfortia. Then he came to the office and instructed me to mail some union applications to Colonel Philipsborn and some authorization for checkoff because he said that the candy plant would be organized.

Is that your usual procedure, to have the management do it for you?

Mr. Cross. I don't think they were doing anything for us, except they were receiving by mail the applications and authorizations for checkoff and would probably make them available to the workers who wanted to sign them, when they were contracted by our people.

Mr. KENNEDY. We figured out that the failure to get the 8 cents raise or the initial agreement where they would not get the 8 cents raise until December 31, 1957, would have saved the owners of the bakeries some \$25,000, 8 cents to each member, about 120 members, 40 hours a week, which is a considerable amount of money.

Do you think it is a good idea as a trade unionist, do you think it is a good idea for a man who is negotiating contracts to be having financial dealings with the management?

Mr. Cross. Mr. Kennedy, I have not today, nor have I ever, admitted having financial dealings with the management of a company. I obtained two loans signed by notes from a retired individual for moneys from his personal accounts which amounts to well into millions of dollars.

He states by affidavit that he is not and has not handled the labor relations for this company since 1948.

Mr. KENNEDY. He must have been handling it to some degree, anyway, or else you would not have gone to see him in December. The records show that he received in 1955 and 1956 from the whole of the Zion Industries, some \$261,000 so he had some interest there.

Those two factors you cannot escape.

Mr. Cross. I do not want to assume or figure out why he has that contact. I certainly wish I could get one like that from my union, to appear there once a year and get seventy some thousand dollars for it.

Mr. KENNEDY. That does not answer the question.

Mr. Cross. I can't answer it.

Mr. KENNEDY. You had financial dealings with a person who had a large interest in a bakery. Do you think that is proper or improper?

Mr. Cross. I did not have financial dealings. I borrowed money from a man's personal account, who, in his statements to me, had retired from the active operation of the business since 1948.

Mr. KENNEDY. He was doing you a favor by loaning you that money, was he not?

Mr. Cross. He was doing me a favor and getting nothing in return, sir. I would do the same for you, if I was in the position.

Mr. KENNEDY. You think then, it is perfectly proper to have financial dealings with management?

Mr. CROSS. I didn't say that, sir.

Mr. KENNEDY. Or obtain favors from management?

The CHAIRMAN. Would you agree that it is wrong? Let us shorten it.

Mr. CROSS. I will agree that if any man takes financial favors in return for any improper action dealing with his organization, it is wrong.

The CHAIRMAN. Would you regard the making of a contract more favorable to management as improper action on the part of a labor leader?

Mr. CROSS. Well, I can't answer that because that is a hypothetical question. If you are asking would I ever do it, the answer is "No," and I didn't do it.

The CHAIRMAN. I assume if you would not do it, you would think it is wrong.

Mr. CROSS. It is certainly wrong by my standards, Senator McClellan.

The CHAIRMAN. That is the point I wanted to make.

Mr. KENNEDY. Mr. Carbonara, and the other gentlemen who furnished the affidavit, feel they were betrayed by you and George Stuart in this matter.

Mr. CROSS. Did they say they were betrayed by me?

Mr. KENNEDY. Mr. Carbonara said he was betrayed by George Stuart. You were the one that had the meeting with Mr. Philipsborn here in Washington, D. C., in November. You were the one that made the agreement.

Mr. CROSS. Mr. Carbonara——

Mr. KENNEDY. Mr. Carbonara did not know that.

Mr. CROSS. Mr. Kennedy, if I may submit to you, sir, I think you were the first man to use the word "betrayed" in the testimony. You asked him. You put the word in his mouth.

Mr. KENNEDY. He agreed.

Mr. CROSS. He agreed, but you asked him the question that way, and Mr. Carbonara was not aware of all the facts surrounding the organization of the candy plant, or he would never have said that. Mr. Carbonara is not an experienced man in negotiations to ask about these particular things. You should ask Mr. Confortia, who is the head of the local union and handles the negotiations.

Mr. KENNEDY. We have had at least the one official here in person, and another official of the bakers, who testified by affidavit, that what happened at Zion, Ill., in connection with this bakery was improper.

In the same period of time, you were having financial dealings, you were borrowing money from Mr. Philipsborn. You borrowed money in 1955, \$57,000; you borrowed in 1956, \$40,000. It is a total of ninety-six or ninety-seven thousand dollars altogether.

Mr. CROSS. It was \$57,600 which was paid back before I got the forty. It was not from the management of the company. It was from the personal account of a man retired, and I have nothing to do with the negotiations of the wage contracts with the Zion Biscuit Co. since 1948.

Mr. KENNEDY. You have a questionnaire on ethical practices, sent out to bakery and confectionery workers. No. 3 says:

Are you directly or indirectly in debt to any individual employer, representative, or employer business under collective bargaining relationship with any local union of the international, or to any business having dealings with any such employer, or to any such insurance agent or consultant?

Mr. CROSS. The answer to the statement, and I have sworn to it in the Washington office, the answer is "I do not have."

Mr. KENNEDY. Have you had?

Mr. CROSS. That is a different question.

Mr. KENNEDY. You had until this investigation started.

Mr. CROSS. Not with management.

Mr. KENNEDY. But you were in debt until this investigation started, were you not?

Mr. CROSS. I am still in debt.

Mr. KENNEDY. You were in debt to Mr. Philipsborn until this investigation started?

Mr. CROSS. Mr. Philipsborn, Sr.

The CHAIRMAN. I think the record shows pretty well the connection.

Mr. Philipsborn, as I recall, when they sold out their interest, sold it to a foundation, is that correct?

Mr. CROSS. The New York University, Senator.

The CHAIRMAN. New York University Foundation?

Mr. CROSS. I don't know.

The CHAIRMAN. He continues to draw this money, drawing twice as much as the management at the plant. I understood when you talked to him, it was to get him to withdraw their opposition.

Mr. CROSS. To use his influence on his son.

The CHAIRMAN. Then you must have thought he had some influence in the operation of the business. A man drawing that much money, twice as much as his son, and you go to the father who established the business apparently—I do not know whether he established it, but he was drawing that much money from it—you must have felt he had influence.

Mr. CROSS. I felt he had influence on his son, and, Senator McClellan, under oath, I was not aware of even a contract arrangement with Mr. Philipsborn in that company until all this investigation started. Then when I looked into it, I understand that is a common practice when a small independent owner sells out. Rather than taking all his money at one time, he takes what is called a management contract for a period of time.

The CHAIRMAN. Then it is your contention that this money he is receiving is part of the purchase price?

Mr. CROSS. That would be my thinking on it. It might not be his thinking.

The CHAIRMAN. I do not know.

Are there any other questions?

Senator CURTIS. Approximately what portion of the contracts that have been negotiated by your union are union shop contracts?

Mr. CROSS. That is a difficult question, Senator.

I would say about 90 percent of them. That is only a guess, Senator.

Senator CURTIS. Of these employees working under those contracts,

if, as a result of all these transactions, they are dissatisfied with you and those associates who support you in this, and cease to pay dues, they lose their job?

Mr. Cross. Those who, under the union shop contracts, if they cease paying dues for a period of a certain time, would then lose their position.

Senator CURTIS. That is all.

Mr. KENNEDY. I want to ask you about this Cadillac, because there has been so much discussion about the Cadillac.

Mr. Cross. Thank you. I am glad to explain it.

(The witness conferred with his counsel.)

Mr. Cross. Senator McClellan, the thought has come to me, if we are going to close the Zion thing, that I would like to say one thing that I am sure your staff knows as a fact. I would like the record to show in all fairness to your investigation and to this union. Through the investigation and through my dealings with 160,000 to 180,000 workers, your staff has turned up only one thing that they could in any degree point a finger at what they might think is unethical. I think the record should show that.

The CHAIRMAN. The record has been made of your testimony.

Mr. Cross. I feel better by saying it, because this company is a small, 250-employee company, compared to 20,000 that we deal with in lots of other companies. I just wanted to make that point clear.

Thank you.

The CHAIRMAN. Proceed, Mr. Counsel.

Mr. KENNEDY. Is there a health and welfare plan at Zion?

Mr. Cross. I wouldn't know, Mr. Kennedy. I do know that I put in a profit-sharing plan back in 1944 in the negotiations with the company, but I don't know yet whether they have negotiated a health and welfare.

Mr. KENNEDY. Or pension?

Mr. Cross. Or pension. I don't know.

Mr. KENNEDY. Our records show there is no health and welfare or pension plan at Zion.

Now; do you want to discuss the Cadillacs?

Mr. Cross. Cadillac?

Mr. KENNEDY. Or Cadillac. Will you make it brief?

Mr. Cross. I sure can.

In December of 1955, after having served the Illinois area a period from 1939, both as a representative, a vice president, an assistant secretary-treasurer, secretary-treasurer, and president, we were moving our entire national headquarters from Chicago to Washington. I was contacted by those in the local union joint board if I would appear at a testimonial dinner. I told them I would be happy to.

It then developed that there was conversation about testimonial dinners taking too much money and giving it to the hotels. They said to me that they would like to give me a Christmas party in 1955 at the Como Inn.

Mr. KENNEDY. When did you leave Chicago?

Mr. Cross. I left Chicago June 6, 1955. This was the Christmas of 1955.

To make a long story short, it developed that those local unions, Nos. 9 and 10 in the city of Chicago, were supposed to get together in

order to give me a gift, as I understand, of my own choosing. I then told Conforti and Stuart, who was trustee of one of the locals at the time, that if it was of my own choosing, I would prefer an automobile.

Mr. KENNEDY. Who were you having these conversations with?

Mr. CROSS. Conforti and Stuart. Conforti was the head of the joint board, all the local unions in the city of Chicago.

Mr. KENNEDY. And he told you they all wanted to get together and give you a car?

Mr. CROSS. Right. I have since then been informed that because of the merger, the two large local unions are the only local unions that paid for the car, because the small locals were unable to put in their share for it.

I was supposed to attend a Christmas party at the Como Inn where they were to present me with this gift. I couldn't get there, because I wanted to be with my family on Christmas. So they said that the Cadillac car then would be delivered in Detroit, Mich., through the Cadillac agency on December 28.

I had business in Detroit on December 28 with my local unions and with some united wholesale and retail locals at that time, and with the teamsters union. I went there. The car wasn't ready.

I left Detroit, came back to Washington, and 10 or 15 days later the car was driven to my home in Bethesda by a vice president of this organization. And I received that gift from that local union, I suppose for friendship and feeling toward me after the years from 1939 to 1955.

Mr. KENNEDY. Did you check to find out whether the membership wanted to give you a car?

Mr. CROSS. I understand it was in the minutes of the local union. I don't know how they proceeded.

Mr. KENNEDY. Did you understand it at that time?

Mr. CROSS. Mr. Kennedy, at that time, I understood it was the desires of the delegates to the joint board.

Mr. KENNEDY. Did you ever discuss it with any of them, to find out if this was true?

Mr. CROSS. No.

Mr. KENNEDY. You are aware of the fact that the money was charged to organizational expenses?

Mr. CROSS. No, sir.

Mr. KENNEDY. You are not aware of that?

Mr. CROSS. I am now.

Mr. KENNEDY. But you never made any inquiry into it at that time; is that right?

Mr. CROSS. Well, no.

Mr. KENNEDY. It is just that George Stuart said everybody wants to give you a car?

Mr. CROSS. And so did Conforti.

Mr. KENNEDY. And Anthony Conforti.

Mr. CROSS. And he is the head of the joint board out there.

Mr. KENNEDY. The union that was going to give you a car was that under trusteeship at the time?

Mr. CROSS. One of them was. The other nine were not.

Mr. KENNEDY. Did you talk to the heads of the other nine unions that wanted to give you a car?

Mr. CROSS. No, sir. I would not talk to them. I talked to the man handling the arrangements and that was Anthony Conforti.

Mr. KENNEDY. As it turned out, George Stuart and you both got Cadillacs and it was charged to a joint organizational expense with the teamsters. You do not feel you should have inquired into it at all?

Mr. CROSS. Once I found out about the question and had it shown to me that it was charged off that way, I have acted on the thing.

Mr. KENNEDY. When Mr. Sims made that charge, did you look into it at that time?

Mr. CROSS. Mr. Sims did not make the charge like that. He just asked what the \$13,000 item was on the daybook pages charged to organization.

Stuart asked him and he told me that it was for organization of the national contract with the Sawyer chain. Sims disagreed with it at that time. I said to Sims, "Well, you get the proof that this is not money being spent for what it is said and we will take further action against Vice President Stuart."

He never again approached me on that question until March of this year. It was not until March of this year, Mr. Kennedy, that I learned of how the transaction was handled financially in the local unions.

Mr. KENNEDY. Did you learn about it at the time you had this board meeting?

Mr. CROSS. I learned about it subsequent to the board meeting, because there was a \$4,600 item charged as a testimonial gift to me in April when I received the car in December.

Because of the financial mixup that was there, I have since returned that car to that local union and the man responsible for the mixup in the chargeoff is no longer with this international union.

Mr. KENNEDY. Don't you think it might have been well, when the charge had been made at that time, and particularly where you were involved in it, to try to clear it up, instead of having the board go and just dismiss this whole matter?

Mr. CROSS. They dismissed it, Mr. Kennedy, because I was charged jointly with George Stuart on this particular affair. As I understand, the hearing board that heard the charges asked if they could separate the charge against Stuart and me because it was made jointly.

They decided that it could not be. So they found me not guilty and they had to find Stuart not guilty because they knew I had done no wrongdoing.

Subsequent to that board, I made my own investigation and the cars and the money that were taken were returned to the local union, including mine, which I feel was a free gift from the local unions, but I could not keep the car, feeling that there might be some shadow over the way that it was put into the books.

Mr. KENNEDY. But you never inquired, other than of Anthony Conforti and George Stuart, you never inquired about this car?

Mr. CROSS. I never do, sir, because I have had three other testimonial dinners, in which I only talked to the chairman of the dinners. It is just one of those things that you do.

Mr. KENNEDY. I see.

The CHAIRMAN. Are there any further questions?

You may stand aside for the present. I do not think we will want you any more.

Mr. KENNEDY. Before you go, have you planned a meeting of the members of your board for this coming week?

Mr. CROSS. I have not planned any meeting, Mr. Kennedy, of my board.

Mr. KENNEDY. Have you planned any meeting of any kind?

Mr. CROSS. I haven't sir. The hearing board of this organization that heard the charges on Sims is compelled to meet 90 days from March 28. I am sure that the chairman and the secretary will make—I am not involved in that at all.

Mr. KENNEDY. You do not know of any meeting at that time?

Mr. CROSS. Not at this time.

Mr. KENNEDY. You do not know of any meeting scheduled?

Mr. CROSS. The press asked me that, if we were going to Atlantic City on Monday and the answer is "No."

The CHAIRMAN. Stand aside for the moment.

I do not think there are any other questions.

Mr. CROSS. I want to thank you for your courtesies.

(Present at this point were Senators McClellan and Curtis.)

The CHAIRMAN. Will you be sworn? You do solemnly swear that the evidence you shall give before this Senate Select Committee shall be the truth, the whole truth and nothing but the truth, so help you God?

Mr. PINSAK. I do.

TESTIMONY OF JOHN E. PINSAK

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. PINSAK. John E. Pinsak, 2828 Connecticut Avenue, Washington, office manager of the Bakery and Confectionery Workers International Union.

The CHAIRMAN. How long have you been in that position?

Mr. PINSAK. About 12 years.

The CHAIRMAN. The question came up here about a document that the committee has in its possession. That is why I subpoenaed you.

You do have a right, of course, if you desire, to have counsel who can consult with you and advise you of your legal rights, while you testify. I only want to ask you about one document, what instructions you received about it, and whether you can identify it?

Would you care to have counsel?

Mr. PINSAK. Well, if it is about that letter there that Mr. Kopecky—

The CHAIRMAN. It is about a letter dated April 23, 1952, to Mr. Gilbert Mann, the president of some local, I assume.

Mr. PINSAK. Local 100.

The CHAIRMAN. It does not say. It just says president.

That is all I want to ask you about.

If you want counsel, of course, you have a right to have him. I did not give you much time. I did not know of your knowledge of this until a little while ago.

Mr. PINSAK. Is it just to see whether that letter was written by us?

The CHAIRMAN. Yes.

Mr. PINSAK. I don't think so.

The CHAIRMAN. If at any time as we proceed you decide you need counsel, we will stop.

Mr. PINSAK. All right.

The CHAIRMAN. The Chair wishes to present to you what purports to be a photostatic copy of a letter dated April 23, 1952, addressed to Gilbert Mann, president, local 100, Chicago, Ill., bearing the type-written name of J. G. Cross, general secretary-treasurer. I ask you to examine it and see if you identify that as a photostatic copy of the original, and if you know anything about the original.

(Document handed to witness.)

Mr. PINSAK. Yes, I do.

The CHAIRMAN. You identify that as what?

Mr. PINSAK. As a letter that was written, as a letter that was written to him on April 23.

The CHAIRMAN. You were office manager at that time?

Mr. PINSAK. Yes.

The CHAIRMAN. And you identify that as a photostatic copy of that letter?

Mr. PINSAK. Right, sir.

The CHAIRMAN. We had not been able to get that in the record before.

This letter may be made exhibit 77.

(Document referred to was marked "Exhibit 77," for reference and will be found in the appendix on pp. 3207-3209.)

The CHAIRMAN. I want to ask you 1 or 2 questions about it.

How did you happen to write that letter? Did you write it?

Mr. PINSAK. Yes, sir.

The CHAIRMAN. How did you happen to write that letter?

Mr. PINSAK. I went over there to instruct them about proper accounting procedures of the local union, and then after I did that, I came back and wrote this letter.

The CHAIRMAN. Who directed you to write it?

Mr. PINSAK. The secretary-treasurer.

The CHAIRMAN. At that time Mr. Cross?

Mr. PINSAK. That is right.

The CHAIRMAN. He directed you to write the letter?

Mr. PINSAK. Yes.

The CHAIRMAN. Do you know it was signed by him?

Mr. PINSAK. Well, I couldn't say that, because I would just leave the letter lie on his desk.

The CHAIRMAN. But you know you were given instructions to write it and did write it under his instructions?

Mr. PINSAK. Right.

The CHAIRMAN. As far as you know, the letter was mailed?

Mr. PINSAK. Right, sir.

The CHAIRMAN. Are there any other questions?

Mr. Cross could not remember, and they cannot find the original. We have used this letter to interrogate the witnesses about it, and I wanted to get it in the record.

I understood that you could identify it.

Are there any other questions?

Thank you very much. You may stand aside.

Is there anything further?

The CHAIRMAN. Mr. Cross, I want to place you under recognizance to reappear under the same subpoena, if the committee wants to hear further testimony from you.

Do you acknowledge that, you and your counsel, to appear upon reasonable notice?

Mr. Cross. All the other times under the subpoena before leaving the city on my regular duties I have contacted the committee to get permission. May I do that without it? I will make myself available.

The CHAIRMAN. I am not holding you strictly to that, just so you keep us advised.

If you leave the city for any length of time——

Mr. Cross. My office would know.

Mr. HARRIS. Would he get 48 hours' notice?

The CHAIRMAN. Yes. We will give reasonable notice.

Mr. Cross. I will be available at any time.

The CHAIRMAN. The committee will be giving further consideration to this matter.

We will have a continuing interest in this inquiry, as you can appreciate, and in your union. These things that appear to have been improper, or any irregularities that have come out in this testimony, I think that you, as president, would be giving them some attention.

Mr. Cross. I certainly will, sir.

Mr. HARRIS. Mr. Chairman, I want to thank you for the indulgence you have granted to me in this matter.

I would like to ask just one thing more.

I would assume that the committee staff in the investigation of this matter has assembled a good deal of data, affidavits and other data, which we do not know about. To the extent that any of that is going to be made part of the record——

The CHAIRMAN. There will be nothing made part of the record that is not made part of the record in public. Documents may be on file, and at some future date we may call you back, or some witness, and make them a part of the record. But documents that are not placed in the record at a hearing, either executive or public, are documents for the information of the committee.

Mr. HARRIS. Very good, sir.

The CHAIRMAN. Counsel reminds me that I said "you". When I spoke to you, that you should give some attention to these things, that means your union, your officials that are responsible. I guess it means the board. But it means you or any other officials that are responsible.

Mr. Cross. As I stated, Senator McClellan, we have already started along the road to tighten up wherever necessary.

The CHAIRMAN. I did not understand.

Mr. Cross. We have already hired outside skilled help to show us in the administration wherever there are loopholes to do what we have to do to correct anything that might be wrong.

The CHAIRMAN. And any correction that you should make from your personal standpoint, I think your board should give that attention. I would not ask you to give that. But where there is any

action of yours, any conduct that may have been improper, I think your board should give that attention, if they feel the same way about it.

We will now stand in recess.

(Whereupon, at 6:35 p. m., the hearing was recessed, subject to the call of the Chair.)

(Members present at the taking of the recess: Senators McClellan and Curtis.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

TUESDAY, JULY 16, 1957

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The Select Committee met at 2 p. m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Irving M. Ives, Republican, New York; Senator John F. Kennedy, Democrat, Massachusetts; Senator Pat McNamara, Democrat, Michigan; Senator Barry Goldwater, Republican, Arizona; Senator Carl T. Curtis, Republican, Nebraska.

Present: Robert F. Kennedy, chief counsel to the select committee; George Kopecky, assistant counsel; James F. Mundie, investigator, Ruth Young Watt, chief clerk.

The CHAIRMAN. The committee will be in order.

(Members of the select committee present at the convening of the session were Senators McClellan, Ives, and Kennedy.)

The CHAIRMAN. The committee resumes public hearings at this time in its investigation into the bakers and confectionery workers union. We expect to hear some 3 or 4 witnesses possibly and the principal purpose of these hearings is to complete the record in some respects, where we felt further testimony was needed.

We hope that we can conclude this afternoon by 4 o'clock. At that time there will be a quorum call in the Senate by unanimous consent and it is expected and hoped that all Members will respond to that quorum call and be present and remain there during the remainder of the debate this afternoon, preceding a vote on the pending motion in the Senate.

So, we will undertake to expedite the hearings in the hope that we can conclude by 4 o'clock. If we are unable to conclude by that time, then we will have to arrange for another session some time tomorrow.

All right, Mr. Kennedy, call your first witness.

Mr. KENNEDY. Mrs. Nathan Ehrlich.

The CHAIRMAN. You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mrs. EHRLICH. I do.

TESTIMONY OF MRS. NATHAN EHRLICH, ACCOMPANIED BY HER
COUNSEL, MAX GOLDSTONE

The CHAIRMAN. Mrs. Ehrlich, will you state your name and your place of residence and your business or occupation, please?

Mrs. EHRLICH. I am Mrs. Nathan Ehrlich and I live at 1411 Mace Avenue, Bronx.

The CHAIRMAN. Mrs. Ehrlich, do you have counsel present?

Mrs. EHRLICH. My counsel is present.

The CHAIRMAN. Will you state your name for the record?

Mr. GOLDSTONE. My name is Max Goldstone, 274 Madison Avenue, New York, N. Y.

The CHAIRMAN. You are familiar with the rules of the committee, of course, with respect to your privileges here as counsel?

Mr. GOLDSTONE. I am, sir.

The CHAIRMAN. Thank you.

All right, Mr. Kennedy, you may proceed.

Mr. KENNEDY. Mrs. Ehrlich, your husband is associated with the bakers union, is he?

Mrs. EHRLICH. With the cake baking union, local 51.

Mr. KENNEDY. Local 51?

Mrs. EHRLICH. Yes, sir.

Mr. KENNEDY. That is in New York?

Mrs. EHRLICH. New York City.

Mr. KENNEDY. And what is his position with the bakers union?

Mrs. EHRLICH. He is president of that local.

Mr. KENNEDY. How long has he been with the bakers union?

Mrs. EHRLICH. Nearly 30 years.

Mr. KENNEDY. Were you at the convention in San Francisco last year?

Mrs. EHRLICH. Yes, sir.

Mr. KENNEDY. That was in October?

Mrs. EHRLICH. 21st of October.

Mr. KENNEDY. Of 1956?

Mrs. EHRLICH. Yes, sir.

Mr. KENNEDY. Mr. Chairman, we had some testimony before the committee in a previous session by Mr. Joseph Kane, who was also present in San Francisco, that Mr. James Cross among others, came to his room and that there was a fracas, and involved also in this fracas out in San Francisco was Mrs. Ehrlich.

Now, Mr. Cross testified that he was in bed during this period of time and knew nothing about it until he heard about it the following morning, and so Mrs. Ehrlich is being called in order to try to clarify the record.

The CHAIRMAN. All right, proceed.

Mr. KENNEDY. Mrs. Ehrlich, you were present in San Francisco on October 21?

Mrs. EHRLICH. Yes, sir.

Mr. KENNEDY. Did you see James Cross?

Mrs. EHRLICH. Certainly.

Mr. KENNEDY. Did Mr. Cross come to your room?

Mrs. EHRLICH. Yes.

Mr. KENNEDY. He did?

Mrs. EHRLICH. He came in. That was in the morning and it was just about a quarter of 6 when we heard a knock on the door, a knock on the door and my husband got up and we sat up in the bed and we asked "Who is it?" and then we heard Mr. Kane saying, "Hey." He said, "Open up the door. We want to talk to you."

My husband went to the door. We had another knock at the door and we heard Mr. Januck saying, "Open the door. We have to talk to you." I said to my husband, "Why don't you open the door?" and my husband crossed his robe and he opened the door and as he opened the door Mr. Cross jumped in, the first one, right in, and he started to push my husband and he started to hit my husband and I grabbed the telephone and I had a telephone right near the bed.

And I grabbed the telephone and I started to scream, "Help, help, help, help," and I screamed so loud but nobody heard me. And then I saw he had so many men following him and followed by three other men.

(At this point, Senators Goldwater and Curtis entered the hearing room.)

Mrs. EHRLICH. That was Joe Stuart that I know very well, but the other two I didn't know. There was one short one and his name was Mykalo—and I had to mark down that name because I don't remember, and the other was Frank Gardone.

They followed him in. As I was screaming, "Help," this Mykalo ran over and he had a piece of leather in his hand and he said, "You put that telephone down." And he knocked the telephone out of my hand. And as I saw Mr. Cross hitting my husband I went out from bed and I started to pull him by the jacket and he pushed me down on the bed and then when I slipped down, he was kicking me with his feet.

I was screaming terribly then, and Mr. Kane run over to Mr. Cross and he started to fight with him and take him away and then I had a chance to get up from the floor and we had a door.

Next door was my husband's secretary, with his wife sleeping there, and so I pushed that door in, and I started to scream, "Harry, help, come in, they are killing Nathan." And so Mr. Stuart ran in straight over there to the other room and as he run in the other room, the other fellow, that short fellow, Frank Mykalo, ran over to Mr. Kane and he started to fight with Mr. Kane, and so my husband had a chance to get out of the chair.

We had a bottle on our dresser there, a bottle with brandy, and Mr. Cross grabbed that bottle and wanted to hit Joe Kane. My husband grabbed the bottle out of his hand and put it away back, and put it away.

And at this time, this other man, Mr. Gardone, he was standing with his hands down near the door, and just watching and he didn't do anything and it was just like a movie or what you see on television. It was an awful scene and I still feel it.

He was standing like that near the door and not letting anybody out. So this Mr. Mykalo started to fight with Mr. Kane and so the other one, Gardone, grabbed Mr. Cross by his hand, then, and they ran out quickly from our room.

I still kept on screaming, and I was screaming so that the whole hotel must have heard me. It was just Sunday morning, early.

Well, they all ran out, all four ran out, and then started to come the police, and the other things and I don't know anything else.

Mr. KENNEDY. You are sure Mr. Cross was present at that time?

Mrs. EHRLICH. Positive.

Mr. KENNEDY. You testified before the grand jury in San Francisco?

Mrs. EHRLICH. That's right; I did.

Mr. KENNEDY. And you understand Mr. Cross testified also, did he not, before the grand jury?

Mrs. EHRLICH. Well, I am sure he did, because in the grand jury they didn't let us in to see, but I saw Mr. Cross going in there. I don't know about that.

Mr. KENNEDY. But his testimony before this committee that he was not present at that time, and he was in bed, is not true, is that right?

Mrs. EHRLICH. I could just swear on anything that is dear to me that he was there. I know Mr. Cross very well, and I know Mrs. Cross very well, and it is not that I couldn't make a mistake with anybody else, but Mr. Cross I know very well.

I could even tell what suit he wore because when I grabbed him by the jacket in the back, I could say that he wore a gray suit and I wish he could say "no" straight in my eyes. And it is really, I don't know how to express it, but I am sure, just 100 percent.

I know Mr. Cross and it is not that I don't know the man, and I know him very well. He was there and he even said to me, "What are you doing here?" He even said to me "What are you doing here?" when he saw me in bed.

The CHAIRMAN. Let the Chair ask you how long you have known Mr. Cross.

Mrs. EHRLICH. I knew Mr. Cross for many years, and I can't recall.

The CHAIRMAN. You have known him for many years?

Mrs. EHRLICH. Yes, sir.

The CHAIRMAN. Will you stand and observe whether Mr. Cross, the Mr. Cross you are now testifying about, is present in this hearing room.

Mrs. EHRLICH. I shall get up and see.

The CHAIRMAN. If you will, please.

(The witness pointed out Mr. Cross.)

The CHAIRMAN. All right, you may come back.

Mrs. EHRLICH. I couldn't see him at first because his head was down, but he is sitting there.

The CHAIRMAN. Mr. Cross, will you come around, please, sir?

For the moment, lady, would you sit back in a chair and let Mr. Cross take the stand?

TESTIMONY OF JAMES G. CROSS, ACCOMPANIED BY HIS COUNSEL, ABRAHAM J. HARRIS—Resumed

The CHAIRMAN. Mr. Cross, you have been previously sworn in the course of this hearing?

Mr. Cross. Yes, sir.

The CHAIRMAN. You were placed under recognizance of the subpoena that you appeared under before, to return to the committee at any time it requested you to do so to further testify?

Mr. Cross. Yes, sir.

The CHAIRMAN. You have with you today the same counsel you had with you when you testified before?

Mr. Cross. Yes, sir; I do.

The CHAIRMAN. You have heard the testimony, I assume, of Mrs. Ehrlich, who has just testified regarding your presence in her room, the room of she and her husband in the hotel in California, in San Francisco, Calif., on the date she stated.

Did you hear her testimony?

Mr. Cross. Yes, sir.

The CHAIRMAN. Is that the same occasion that you previously testified about when you were on the witness stand before this committee?

Mr. Cross. Well, in regards to this matter, yes.

The CHAIRMAN. In other words, the time and place that she testified to is the same time and place you testified to when you previously appeared?

Mr. Cross. Yes, except of course, that that is not the time of our convention and our convention did not open for 3 or 4 or 5 days later.

The CHAIRMAN. You were out there for that purpose?

Mr. Cross. I was out there for a general executive board meeting at that time.

The CHAIRMAN. You stayed over for the convention?

Mr. Cross. Yes, sir.

The CHAIRMAN. It was all on the same trip?

Mr. Cross. Yes, sir.

The CHAIRMAN. You have heard her testimony that you were present in the room and you came with the others who came in some time early that morning, about a quarter to six I believe she said, and demanded entrance into the room and after which some altercations took place.

You testified before, positively, that that was not true, that you were in your own hotel at the time. Now, having heard this testimony of this lady, who says she has known you for many years and that she could not be mistaken in her identity, do you wish to further refute her testimony by further denial?

Mr. Cross. Not by further denial. I stand on the same testimony that I gave before. I am sure that Mrs. Ehrlich must know me, but she also, if I recall the testimony, says she was positive she saw me and I wore a gray suit. I never had a gray suit all of the time I was in San Francisco to put on at any time.

Secondly, she said at a quarter to six, and at a quarter to six I was taking a shower in my room in the presence of my male secretary.

The CHAIRMAN. How was that now?

Mr. Cross. We shared office suites, Mr. Phil Espil and myself, and when I arose and he arose, about 5:30 or quarter to six that morning, I was showering at the same time he was preparing for my first conference at 7:30 that morning, which I attended.

The CHAIRMAN. Did you get up at your usual time that morning?

Mr. Cross. Yes, sir.

The CHAIRMAN. You usually rise about that time?

Mr. Cross. Yes, sir.

The CHAIRMAN. So the testimony of Mrs. Ehrlich as to your being present in her room along about that time in the morning is positively untrue?

Mr. CROSS. That is right.

The CHAIRMAN. Were you there at her room at any other hour that morning?

Mr. CROSS. No, sir.

The CHAIRMAN. So, regardless of whether it was a quarter to 6 or a quarter to 4 or whatever time that those people entered the room, you were not present?

Mr. CROSS. That is right.

The CHAIRMAN. So the matter of exact time has very little to do with it.

Mr. CROSS. Yes, sir.

The CHAIRMAN. It is a question of it being absolutely false; that you were not there.

Mr. CROSS. That is right.

The CHAIRMAN. Are there any further questions of this witness at the moment?

You may stand aside for the moment.

Mr. HARRIS. I have three questions that I wrote out for the cross-examination of Mrs. Ehrlich, and I would like to submit those.

The CHAIRMAN. Will you submit them, and we will be very glad to consider them.

(The witness was excused.)

The CHAIRMAN. Mrs. Ehrlich, please resume the witness stand.

TESTIMONY OF MRS. NATHAN EHRLICH, ACCOMPANIED BY HER COUNSEL, MAX GOLDSTONE—Resumed

The CHAIRMAN. Do any other Senators wish to ask Mrs. Ehrlich any questions while I am glancing over these submitted questions?

Mr. KENNEDY. I do not have any further questions, unless you have something to add.

Mrs. EHRLICH. How could Mr. Cross say that he wasn't in my room when he talked to me and he said, "What are you doing here?" and "What did you come here for?" And how could he talk to me, and how could he say he wasn't there? I don't understand how people could do like that, and how could he say that?

The CHAIRMAN. It is just this simple. One of you is not telling the truth. Somebody swears to a positive falsehood. One or the other of you is committing perjury.

Mrs. EHRLICH. I could swear again that I said the truth.

Senator CURTIS. Mrs. Ehrlich, of the other people that were present, what ones have you known for some little length of time?

Mrs. EHRLICH. I know Mr. Cross, Mr. Stuart, and I know Mr. Kane, and I know Mr. Genuth, but I didn't know the other two.

Senator CURTIS. Did you know Mr. Gardone?

Mrs. EHRLICH. No; I never saw him. That was the first time I saw him.

Senator CURTIS. He was the large man that stood at the door?

Mrs. EHRLICH. No; he was a short man, dark man, and Mykalo, and I don't know the name, and I have it marked down because I don't know them. I don't know them by name, and one was a tall fellow, and he stayed by the door and one was a short fellow and he had a blackjack, and that is when he was near me, and he said, "Put that telephone down," and he made me put the telephone down. It was

at the time Mr. Cross was going to my husband and hitting my husband.

The CHAIRMAN. Mr. Harris, the counsel for Mr. Cross, submitted to the committee three questions which he requested be asked of this witness. The Chair has read the questions and submitted them to the vice chairman of the committee, and we see no reason why they should not be asked, and we will proceed to ask the questions.

These questions are being propounded to you at the request of counsel for Mr. Cross. I will read the questions to you carefully, and you weigh your answers to them and then state what the truth is.

Question No. 1: Is your testimony to the committee substantially the same as that you gave to the San Francisco grand jury, upon the basis of which the grand jury refused to find an indictment?

Mrs. EHRLICH. It is the same thing.

The CHAIRMAN. Your testimony you have given today here is the same?

Mrs. EHRLICH. The same.

The CHAIRMAN. Question No. 2: Is it not true that you failed to identify your alleged assailant to the night manager of the hotel?

Mrs. EHRLICH. I didn't get that. I am sorry.

The CHAIRMAN. Is it not true that you failed to identify your alleged assailant to the night manager of the hotel? That means that, obviously, the hotel manager asked you who assaulted you, who came into the room, and did you fail to identify or name Mr. Cross or any of the others to the manager?

Mrs. EHRLICH. No; I didn't. I said that Mr. Cross—there were 4 men coming in, and that 4 men attacked us and 2 men came with them, that we were attacked. But they didn't ask me names, and they just said, "How many men?" and I just said, "Four men came to attack us."

The CHAIRMAN. He did not ask you who they were?

Mrs. EHRLICH. No. The manager didn't ask me.

The CHAIRMAN. Did he ask you if Mr. Cross was there?

Mrs. EHRLICH. No; he didn't ask the names; no.

The CHAIRMAN. You just explained to him that four men had come to the room?

Mrs. EHRLICH. How they came in and how they attacked us; yes.

The CHAIRMAN. And how they attacked you?

Mrs. EHRLICH. Yes, sir; but not names; no, I did not.

The CHAIRMAN. This is the third question submitted by counsel for Mr. Cross: Is it not true that you refused medical aid, as reported in the police report?

Mrs. EHRLICH. The manager sent for the doctor, the house doctor, and when the house doctor came up he examined me, and he asked me to come with him to the office to take X-rays, and I said, "No," I was so upset; I said, "No, thank you; I will go home, and I will go to my physician," and I didn't want to go to any doctors, and he told me he lives some place away in the city.

The CHAIRMAN. Did you have some bruises or something that indicated that X-ray examination might be desirable?

Mrs. EHRLICH. Well, I didn't have any bruises; no.

The CHAIRMAN. You had no bruises?

Mrs. EHRLICH. No; I didn't have any bruises, and first of all the police wanted me to show them, and I didn't want to get undressed

and show it, and I said, "I will go home." I didn't have that experience before.

The CHAIRMAN. When you said you had no bruises, did you mean nowhere on your body, or nowhere on your face?

Mrs. EHRLICH. Nowhere on my face, and I had one bruise on my foot, but this I find out at home. Because it didn't come out the first day when the doctor saw me, and after I was a few days at home, then I had a black mark on my foot.

But it wasn't my face. My face wasn't scratched, or it wasn't anything that I could show to the doctor. But I did have medical aid.

The CHAIRMAN. You did have medical aid?

Mrs. EHRLICH. Yes, sir; and the doctor was there, the house doctor.

The CHAIRMAN. What you declined was an X-ray examination?

Mrs. EHRLICH. I went to my doctor in New York to my private physician, and I was very nervous, not that I had any bruises, but in me. It didn't show, but in me everything was shaking, so that I felt everything inside me was falling out, and so I went to the doctor, to my doctor, my house doctor, and he gave me some pills, and until now I still can't sleep without a pill. I am always worried when someone knocks on my door, and they are running in.

Everytime I talk about it, or everytime I read about it, I get the same exact feeling, that everything inside just shakes in me. But I have nothing that I show.

Senator IVES. Mrs. Ehrlich, for what purpose were you to be X-rayed?

Mrs. EHRLICH. I don't know. It was the doctor from the hotel, the house doctor. When I was thrown down on the floor and Mr. Cross was kicking me, I complained when I just got up that he had hurt me on this side.

Senator IVES. You say he was kicking you?

Mrs. EHRLICH. He was kicking me.

Senator IVES. And you had no black and blue spots afterward?

Mrs. EHRLICH. No, I just find out after I was home, just on my leg, but over here I didn't have any sign of it.

Senator IVES. Because he was kicking you, the doctor wanted to X-ray you?

Mrs. EHRLICH. Yes.

Senator IVES. But still you had no black and blue spot?

Mrs. EHRLICH. No, the doctor didn't see any black and blue spot.

Senator IVES. Did you?

Mrs. EHRLICH. I didn't see right away, but at home, I saw one black spot on my foot.

Senator IVES. Was he kicking you on your foot?

Mrs. EHRLICH. Yes, he kicked me on my foot and he kicked me on the side because it is a very small room, and it was a very small room and the chair where he was hitting my husband was in a corner and it is a very deep chair and when he threw him in the chair I went over there and when he pushed me, the back was right near that chair and when he pushed me on the bed, I fell down on the floor between the chair and the bed.

And every time I wanted to get up, I grabbed Mr. Cross by his leg to get up and he kicked me and he didn't care where he kicks me, but he just kicked me.

Senator IVES. Yet the only place you had any bruise of any kind was on your foot?

Mrs. EHRLICH. Was on my foot, yes.

The CHAIRMAN. Are there any other questions?

Thank you very much, and you may stand aside.

Mr. GOLDSTONE. May I make a statement, please?

The CHAIRMAN. What is the nature of it?

Mr. GOLDSTONE. In view of the fact we have had repeated here the flagrant perjury that the grand jury found to be a fact in San Francisco, where Mr. Cross states that he was never at these assaults, and that the witness, Joe Kane, and Mrs. Ehrlich had made, I have been authorized by Mrs. Ehrlich and Mr. Ehrlich and Joe Kane, who is here, and Louis Genuth, who is here, that they would be willing to submit to any lie detector brought on by any Government agency and have Mr. Cross and his associates also testify before or give evidence before any person or organization that would conduct such a lie detector test and have them decide.

I think that based on the facts that have been shown already about lie detectors, where each one of 10 people would testify concerning that one incident, was Mr. Cross present at these assaults or was he not, I believe that the results then would be practically infallible.

We would be willing to subject ourselves to such a test. Not only that, but we would agree to pay for any expenses that might be involved in the taking of such tests, and we challenge Mr. Cross and his associates to submit themselves to that test. I think it would show the truth.

The CHAIRMAN. Would you also pay for the expense of giving Mr. Cross a test?

Mr. GOLDSTONE. Yes, sir, we would, and his associates.

The CHAIRMAN. Thank you very much. That proposal will be taken under consideration by the committee, and Mr. Cross, we will ascertain from him if he would like to accept the invitation.

Mr. GOLDSTONE. Thank you very much.

Mr. KENNEDY. Mr. Klansek.

The CHAIRMAN. Will you be sworn?

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth and nothing but the truth, so help you God?

Mr. KLANSEK. I do.

TESTIMONY OF JOHN KLANSEK

The CHAIRMAN. State your name and your place of residence and your business or occupation.

Mr. KLANSEK. My name is John Klansek, and my address is 451 Sunset Boulevard, Oglesby, Ill., and I am an international representative of the Bakery and Confectionery Workers International Union.

The CHAIRMAN. Thank you very much. You do not have counsel and do you waive the right of counsel?

Mr. KLANSEK. I waive the right of counsel.

The CHAIRMAN. Thank you very much.

Mr. Kennedy, you may proceed.

Mr. KENNEDY. You have been with the bakery workers how long?

Mr. KLANSEK. As a member of the Bakery and Confectionery Union, I have been a member since August of 1931, and a member in good standing all of the time.

Mr. KENNEDY. You have been an international organizer for how long?

Mr. KLANSEK. An international representative since February of 1952.

Mr. KENNEDY. Have you been performing your functions and your duties as international organizer since February of 1952?

Mr. KLANSEK. I have been until about 3 weeks ago.

Mr. KENNEDY. Did something occur about 3 weeks ago that ended your duties as an international organizer?

Mr. KLANSEK. Yes, sir. I believe on June 21, I received a wire from James Cross, the president, telling me that all assignments, orally and written, were taken away and they were countermanded.

The CHAIRMAN. Do you have the telegram?

Mr. KLANSEK. I have the telegram here.

The CHAIRMAN. Will you read it into the record, please?

Mr. KLANSEK (reading) :

This is to advise you that all assignments heretofore given you in writing or verbally are hereby countermanded.

As a full-time, paid representative of the international union, you are obliged to conform with constitutional requirements. Accordingly, all of your assignments and activities must be limited to carrying out the directives of the undersigned, as international president, and of the general executive board transmitted through the undersigned.

Otherwise, you will be subject to appropriate action under the constitution. Please acknowledge by wire.

J. D. CROSS,

International President, Bakery and Confectionery Workers International Union of America.

The CHAIRMAN. What is the date of the wire?

Mr. KLANSEK. June 21, 5:11 p. m.

The CHAIRMAN. Did you reply by wire as requested?

Mr. KLANSEK. Yes; I did.

The CHAIRMAN. Do you have a copy of that wire?

Mr. KLANSEK. Of the reply, you mean?

The CHAIRMAN. Yes.

Mr. KLANSEK. No, I do not. All it contained was that "contents noted of the wire received." "Wire received and contents noted," was my reply, I believe.

The CHAIRMAN. It was a very brief reply.

Mr. KLANSEK. Yes, sir.

The CHAIRMAN. What is the significance of that, that after these years you were summarily fired from your position, is that correct?

Mr. KLANSEK. That is what is seemed, that I was relieved of all active duties as an international representative, and I still have been receiving my pay. I felt it was the direct action of an affidavit which I submitted to this committee, which was read before this committee a day or two previous to this wire.

Mr. KENNEDY. That was on June 20, and you received the wire June 21?

Mr. KLANSEK. Yes, sir.

The CHAIRMAN. Your affidavit has already been read into the record?

Mr. KLANSEK. Yes, sir.

The CHAIRMAN. Immediately after it became known to Mr. Cross, the international president, that you had provided the committee with this affidavit, on the following day you received that telegram.

Mr. KLANSEK. I received two of the same telegram, one on an assignment that I was on in Kansas City. I received it about 8 o'clock that evening, and another on my return to my home, the following day, there was the same identical wire.

The CHAIRMAN. In other words, the same wire was sent to you at both addresses?

Mr. KLANSEK. That is right.

The CHAIRMAN. And you received both of them?

Mr. KLANSEK. That is right.

The CHAIRMAN. Is there any statement in the wire, and I did not detect any, as to the reason for your being discharged or placed on inactive status?

Mr. KLANSEK. No, sir.

The CHAIRMAN. Has any reason been given you since?

Mr. KLANSEK. Yes. On June 29, after it became known to many of the local unions in the State of Illinois, we had a State council meeting in Belleville, Ill., and present there was acting secretary treasurer of the international union, Olsen, Vice President Gamble, and another member, Duser, and they were asked why I have been reprimanded.

The answer given by Mr. Olsen was that because I did not notify the office that I had submitted an affidavit or what I had put into the affidavit.

The CHAIRMAN. In other words, the reason then, given you was that you had submitted this affidavit without informing the office, your superiors about it and without advising them of what the contents of the affidavit were.

Mr. KLANSEK. Yes, sir.

The CHAIRMAN. Are you familiar with the constitution of your union?

Mr. KLANSEK. Yes, sir.

The CHAIRMAN. Is there any provision in there that requires you, when called upon to give testimony before a court or before any other tribunal duly constituted, that you must submit your testimony or your affidavit to the international president or any other superior officer before you give your testimony or affidavit?

Mr. KLANSEK. Not according to the interpretation of the constitution as I would know it.

The CHAIRMAN. You have had no information or instructions to that effect, and you do not so interpret the constitution?

Mr. KLANSEK. No, sir.

The CHAIRMAN. If such a provision was in the constitution, would you regard that as an impingement upon the rights and liberties of a citizen to testify?

Mr. KLANSEK. I would.

The CHAIRMAN. Well, I do not suppose you would approve of it?

Mr. KLANSEK. No, sir.

The CHAIRMAN. Thank you.

Are there any further questions?

Mr. KENNEDY. I just have a few questions.

You received another telegram on April 4, 1957?

Mr. KLANSEK. Yes, sir.

Mr. KENNEDY. Several months before this?

Mr. KLANSEK. Yes, sir.

Mr. KENNEDY. That was a telegram sent out to all international organizers?

Mr. KLANSEK. That is true.

Mr. KENNEDY. And that telegram stated the same thing as this telegram, except the first line; is that right?

Mr. KLANSEK. That is right.

Mr. KENNEDY. That—

as a full-time, paid representative of the international union, you are obliged to conform with constitutional requirements. Accordingly, all of your assignments and activities must be limited to carrying out the directives of the undersigned as international president, and of the general executive board transmitted through the undersigned. Otherwise you will be subject to appropriate action under the constitution.

Please acknowledge by wire.

That was sent out to you on April 4, 1957?

Mr. KLANSEK. That is right, sir.

Mr. KENNEDY. Now, did you try to find a clarification of that wire?

Mr. KLANSEK. I did. I tried to contact President Cross and I was unable to get him by phone, and I finally got the assistant, who acts as assistant, Vice President Crawford, asking him what the meaning of the telegram was.

His information to me was that it was being sent to all of the field representatives and it meant nothing, for me to carry on as I have been carrying on in the past.

Mr. KENNEDY. Now, from the time that you received that telegram of April 4, 1957, to the time you received the telegram of June 21, 1957, had you heard from the international that they were displeased with anything that you were doing?

Mr. KLANSEK. No, sir.

Mr. KENNEDY. You had played a major role in the contract at Zion, Ill., had you not?

Mr. KLANSEK. Yes, sir, from around the year 1954, from around 1954.

Mr. KENNEDY. Did you find when you were playing that role and negotiating the contract, that there was pressure from above, from the international level?

Mr. KLANSEK. There were many indications of pressure. It was directed to me by management, of their close friendship with President Cross.

Mr. KENNEDY. That is Mr. Philipsborn?

Mr. KLANSEK. Col. Martin Philipsborn, Jr., and other incidental things in the carrying on, and Colonel Philipsborn at that time had advised me, when we were talking about a new home, "If you have any trouble borrowing money, come and see me."

I said, "I think that would be very unwise."

The CHAIRMAN. You mean Mr. Philipsborn, while you were carrying on negotiations—

Mr. KLANSEK. During the course of the time that I was in Zion.

The CHAIRMAN. Trying to organize?

Mr. KLANSEK. Not trying to organize. I was acting in a supervisory fashion of the local union.

The CHAIRMAN. While you were in that capacity?

Mr. KLANSEK. That is right.

The CHAIRMAN. And he suggested what to you?

Mr. KLANSEK. That if I needed any money, that he would be able to arrange it through an uncle of his who was in that business. I said, "I think it would be very unwise in the face of what is happening to a lot of other labor leaders throughout Illinois," and I thought he was trying to set a trap for me, to accept some type of a bribe.

He said, "Well, there is nothing to be afraid of; my father has the mortgage on Jim Cross' home." That showed every indication.

The CHAIRMAN. Which uncle did he refer to, if you know.

Mr. KLANSEK. I did not know who, and I did not know that there was any other person involved in that family outside of the elder Philipsborn and the colonel.

The CHAIRMAN. And is the elder Philipsborn the one who had the mortgage on Cross' home?

Mr. KLANSEK. That is it from the interpretation of what he had told me.

The CHAIRMAN. All right.

Mr. KENNEDY. Now, during this period of 1954, when you were negotiating the contract, did you have any conversations with Mr. George Stuart indicating that?

Mr. KLANSEK. He was my superior and I had to report to him on all of the actions and everything that was transpiring there at the time.

Mr. KENNEDY. Did you find that he was very favorably disposed toward the management at Zion?

Mr. KLANSEK. Well, he always tried to calm me down, and tell me that the people wouldn't strike, and that we were going along and that we couldn't get any more and the company was not in a paying position.

Mr. KENNEDY. Did you find anything unusual about that?

Mr. KLANSEK. I found it unusual in regard to all other negotiations.

Mr. KENNEDY. It was an unusual thing?

Mr. KLANSEK. That is right.

Mr. KENNEDY. Compared to the other negotiations?

Mr. KLANSEK. That is right.

Mr. KENNEDY. Did the people at Zion understand it was unusual?

Mr. KLANSEK. Yes. They also knew it was unusual because previous to this they had tried to disaffiliate, and there was a move by a CIO organization, radio and electrical workers and machinists, I believe, United Radio and Television and Machinists Union, I believe it is, that carried on a campaign and it looked like they were going to be very successful.

Mr. KENNEDY. What was the charge that they were making?

Mr. KLANSEK. The charge they were making was that it was a company-run union.

Mr. KENNEDY. Was that received successfully among the employees?

Mr. KLANSEK. It was.

Mr. KENNEDY. They were sympathetic to that?

Mr. KLANSEK. That is right.

Mr. KENNEDY. Now, were you ever told anything about the fact that you might be a vice president?

Mr. KLANSEK. That was thrown around for the past couple of years, that I could be vice president or would be vice president and as late as June 29 Mr. Olson also made the statement that they had been considering it until this affidavit was submitted by me.

Mr. KENNEDY. They were considering you for vice president until you furnished the affidavit to the committee?

Mr. KLANSEK. That is right.

The CHAIRMAN. Did that make you ineligible then, for vice president?

Mr. KLANSEK. That is the way it looks.

The CHAIRMAN. The way it looks?

Mr. KLANSEK. Yes.

Mr. KENNEDY. That is all.

The CHAIRMAN. Let us have the affidavit, please.

Mr. KENNEDY. It appears on page 1004 of the transcript.

The CHAIRMAN. I wanted the witness to examine the affidavit, and this is a copy of it. Do we have the original?

I would like for the witness to examine what purports to be a copy of the affidavit, and we will see if we can find the original.

It was read into the record and will you state if that is the affidavit that you gave? Will you state if the statements therein, and the facts you have stated there, are true? I would like to have you state under oath while you are on the witness stand as to the truthfulness of the statements contained in the affidavit.

(A document was handed to the witness.)

(Members of the select committee present at this point were Senators McClellan, Kennedy, McNamara, Goldwater, and Curtis.)

Mr. KLANSEK. Yes, sir; this is it.

The CHAIRMAN. You state, do you, that you have read what the chairman handed you as a copy of the affidavit that you submitted?

Mr. KLANSEK. This is a copy, to my recollection, of the affidavit which I signed under a notary seal.

The CHAIRMAN. The particular copy will be made exhibit 78, for reference only. The purpose of making it such an exhibit is so that it may be compared with the affidavit that has already been read into the record.

(The document referred to was marked "Exhibit 78," for reference and may be found in the files of the select committee.)

The CHAIRMAN. I will ask you the question: Without any reservation or equivocation, are the statements made in that affidavit true and correct?

Mr. KLANSEK. To the best of my knowledge, they are the correct statements which I have submitted in answer to the questions, and the affidavit as submitted is true.

The CHAIRMAN. Is there any statement in the affidavit now that you would wish to change, as you testify?

Mr. KLANSEK. No, sir.

The CHAIRMAN. Thank you very much.

Are there any other questions?

Senator KENNEDY. Who appointed you to your present job?

Mr. KLANSEK. I was appointed by President William Schnitzler, who was president of the international union at the time.

Senator KENNEDY. What year was that?

Mr. KLANSEK. 1952. February of 1952.

Senator KENNEDY. What was your job before that?

Mr. KLANSEK. I was business agent and financial secretary-treasurer of local 63, in La Salle County, and Rockford, Ill.

Senator KENNEDY. And Mr. Schnitzler was responsible for you getting your position.

Did Mr. Cross have anything to do with it?

Mr. KLANSEK. Well, I imagine it might have been joint action of Mr. Cross and Mr. Schnitzler, and Mr. Sims, who was director of organization, and Vice President Stuart.

Senator KENNEDY. Did you conduct negotiations, previous to this one that is in controversy here, for the union?

Mr. KLANSEK. For the union? Do you mean just in Zion? All around the country I have negotiated contracts.

Senator KENNEDY. What has your relationship been with Mr. Cross until this occasion?

Mr. KLANSEK. Well, he was my superior officer.

Senator KENNEDY. What was your relationship? Was it satisfactory?

Mr. KLANSEK. Yes, sir. I have always been and considered President Cross a very good friend. I have known him from practically the time he became a representative of the international union. We were very closely associated in the State of Illinois, in which he played a very important role.

Senator KENNEDY. Where?

Mr. KLANSEK. In the State of Illinois, in the establishment of statewide negotiations.

Senator KENNEDY. Until these negotiations which are the subject of this meeting today, until these came up, your relations with Mr. Cross were satisfactory?

Mr. KLANSEK. Yes, sir.

Senator KENNEDY. You are not suspended, are you?

Mr. KLANSEK. I am not suspended as far as I know.

Senator KENNEDY. But you have just been informed that you are supposed to comply with the constitutional requirements, but you are not sure what that means?

Mr. KLANSEK. That is right.

Senator KENNEDY (reading):

This is to advise you that all assignments heretofore given you in writing or verbally are hereby countermanded. As a full-time paid representative of the international union, you are obliged to conform with constitutional requirements.

What does that mean? Your assignment was countermanded, was it not?

Mr. KLANSEK. Well, I had permanent assignments in the absence of Vice President Stuart in the sixth district. I have been carrying on practically all of the assignments in the sixth district for the past 3 or 4 years.

Senator KENNEDY. As I understand, this affidavit was read June 21 in the hearing and this wire came June 21, is that right?

Mr. KLANSEK. That is right.

Senator KENNEDY. June 20 the affidavit went into the record, was read into the hearing record, and this came June 21?

Mr. KLANSEK. That is right.

Senator KENNEDY. Had you, previous to this wire, had any indication that your assignments given you in writing or verbally were being countermanded?

Mr. KLANSEK. No, sir.

Senator KENNEDY. How long had you held those assignments?

Mr. KLANSEK. Well, ever since I have been on the job. I was permanently a part of—

Senator KENNEDY. What have you been doing since June 21?

Mr. KLANSEK. Well, I did nothing for 1 week, and on June 29, returning from the State council meeting in Belleville, we were in an automobile accident. I was hospitalized in St. Elizabeth's Hospital, in Belleville, Ill., until that Tuesday, a week ago today, I think it was.

Senator KENNEDY. What have you been doing since then? Recuperating?

Mr. KLANSEK. I have been home recuperating. I am appearing here against my doctor's orders.

Senator KENNEDY. I will be very brief. During that week from the time you got this wire, in other words, you ceased all duties for the union?

Mr. KLANSEK. That is correct.

Senator KENNEDY. You regarded this as removing you from active service. Do you know whether you were paid for that week?

Mr. KLANSEK. Yes, I have been receiving my checks.

Senator KENNEDY. But you had no duties?

Mr. KLANSEK. I had no duties.

Senator KENNEDY. And in your opinion there is no doubt that it was because the affidavit was read to the committee?

Mr. KLANSEK. That is right, because we had future assignments the following Monday.

Senator KENNEDY. And you were told that by Mr. Cross or by a vice president, that this was due to the fact that you had submitted this affidavit?

Mr. KLANSEK. Yes. Not only told to me, but it was told in the presence of some other delegates and representatives of local unions.

Senator KENNEDY. What is your judgment now as to what is going to happen in your case when you recuperate?

Mr. KLANSEK. I think I will be through as an international representative.

Senator KENNEDY. Have you brought this to the attention of Mr. Schnitzler?

Mr. KLANSEK. No, I have not. Mr. Schnitzler is not—

Senator KENNEDY. I understand that, but he does hold a position.

Mr. KLANSEK. In the American Federation of Labor-CIO.

Senator KENNEDY. You have not in any way indicated anything beyond your union organization?

Mr. KLANSEK. No, sir.

Senator KENNEDY. Thank you.

The CHAIRMAN. Senator McNamara?

Senator McNAMARA. Mr. Chairman, I would like to ask just a couple of very brief questions.

You were appointed originally by Mr. Schnitzler?

Mr. KLANSEK. Yes, sir.

Senator McNAMARA. Has there been an election, a national election, since you were appointed in 1952?

Mr. KLANSEK. Yes, but my position does not require election.

Senator McNAMARA. Then you were appointed by the president of the union subject to approval by the general executive board, and you were so approved?

Mr. KLANSEK. That is true.

Senator McNAMARA. Then you are really acting for the general president in your official duties, is that right?

Mr. KLANSEK. That is right.

Senator McNAMARA. You are his personal representative?

Mr. KLANSEK. A representative of the international union.

Senator McNAMARA. By appointment of the president.

Mr. KLANSEK. That is right.

Senator McNAMARA. When you issue orders to local or a district, it is in the name of the president?

Mr. KLANSEK. That is right, and the international union.

Senator McNAMARA. Of course.

Mr. KLANSEK. My actions are supposed to be the actions of the international union.

Senator McNAMARA. Because he is the president of the union, and you are acting in his name; is that right?

Mr. KLANSEK. That is right.

Senator McNAMARA. Does your constitution set up any procedure for the removal of officers, such as yourself, or is that left entirely to the mercy of the president?

Mr. KLANSEK. Well, under the new constitution, we are left at the mercy of the president.

Senator McNAMARA. You are his personal representative, and he is totally responsible for you, and you are responsible to him?

Mr. KLANSEK. That is right.

Senator McNAMARA. Thank you. That is all.

The CHAIRMAN. Are there any further questions?

Senator KENNEDY. Just from this constitution, the international president when he deems it in the best interests of the international union is empowered to remove any international representative who, in his judgment, is not satisfactory to perform the duties assigned to him.

How many international representatives are there?

Mr. KLANSEK. I am not in a position to be able to say that and give you anything probably close.

The CHAIRMAN. Under the constitution, then, as I understand it, the president can remove you without cause; can he not?

Mr. KLANSEK. Yes.

The CHAIRMAN. So they do not have to give you a reason?

Mr. KLANSEK. That is right.

The CHAIRMAN. You just serve at his pleasure or the pleasure of the executive board?

Mr. KLANSEK. You can interpret that constitution that way.

The CHAIRMAN. Have you had any complaint about your work, or about not complying with the constitution at any time prior to the time you submitted the affidavit?

Mr. KLANSEK. Never to my knowledge. More compliments and no complaints have I ever heard.

The CHAIRMAN. You have been complimented all the time until then?

Mr. KLANSEK. That is right.

The CHAIRMAN. Are there any other questions?

Senator KENNEDY. Mr. Chairman, I think it might be helpful for the staff, if they have an opportunity, to go through various constitutions of the unions to attempt to isolate the president's powers over the officers of the union, find out how often elections are held, and what powers he has independent of the executive board; in an example like this, whether he must give reasons which should be reported to the board, and so on. I think it would be helpful to have an analysis at some time, before the committee has completed its job, of a representative or a sample of union constitutions.

The CHAIRMAN. I agree with the suggestion of Senator Kennedy. I had in mind that same point. I do not know how many the staff has accumulated yet in its regular course of work. I do not know that it would be possible or necessary to get the constitutions, the international constitutions, of all the unions, but certainly I think the committee should at least have a good cross section of them so that the provisions might be observed.

I assume they differ somewhat. I assume there is no standard form, but that they differ with different unions.

I think it would be well for them to get a sufficient number, at least, to give us a representative cross section on it.

Senator GOLDWATER. Mr. Chairman?

The CHAIRMAN. Senator Goldwater.

Senator GOLDWATER. I think you will find that the Department of Labor has on file about 85 percent or maybe 90 percent of all the constitutions of the unions. I think they would be very willing to make any study that you would like to have. They have done that for me in the past, and they have been rather complete studies.

The CHAIRMAN. That is a matter we can look after.

Without objection, the Chair instructs the staff to begin working on that feature of it. If they can get them from the Labor Department, well and good. Otherwise, get a cross section of them however they can.

If there is nothing further, thank you very much.

Mr. HARRIS. Mr. Chairman, I have several questions I would like to submit to the committee to be put to Mr. Klansek by way of cross-examination, if the committee please.

The CHAIRMAN. Let us see the questions.

(Documents handed to committee.)

The CHAIRMAN. I will read these questions, gentlemen, in the presence of other members of the committee. The witness will wait in answering them until the Chair instructs him to answer them.

If there is any objection to one of these questions, if I find one, I will indicate it, and if you gentlemen find one, you indicate it. We will try to expedite it.

The witness will pay attention to the questions.

Is it not true that the June 21 wire received by you was to the same effect as a wire that had been sent to you and other international representatives on April 4?

I see no objection to that question.

I will read the question again.

Is it not true that the June 21 wire received by you was to the same effect as a wire that had been sent to you and other international representatives on April 4?

Mr. KLANSEK. With the exception of the first line, which is "this is to advise you that all assignments heretofore given you in writing or verbally are hereby countermanded."

The CHAIRMAN. That is on April 4?

Mr. KLANSEK. No, that is June 21.

The CHAIRMAN. On April 4?

Mr. KLANSEK. It had practically the same contents outside of this first line, countermanding all assignments in writing or verbally. It isn't the same.

The CHAIRMAN. It is not the same?

Mr. KLANSEK. No.

The CHAIRMAN. All right.

Mr. KENNEDY. Could I ask this question: Isn't this first sentence what prevented you from taking any assignments the following week?

Mr. KLANSEK. That is right.

Mr. KENNEDY. That is why you did not perform any tasks for the union the following week, based on that first line?

Mr. KLANSEK. That is correct.

The CHAIRMAN. The question would be, then, were assignments given to international representatives?

Mr. KLANSEK. I presume they have been.

The CHAIRMAN. You would not know?

Mr. KLANSEK. I wouldn't know.

The CHAIRMAN. You have not been taken to counsel since?

Mr. KLANSEK. No, sir.

The CHAIRMAN. The second question: Is it not true that you are still on full-scale status?

You have already said you have been receiving your money.

Mr. KLANSEK. Yes.

Senator GOLDWATER. May I ask a question there?

The CHAIRMAN. Senator Goldwater.

Senator GOLDWATER. Is it customary when a man in your position with the union is relieved of responsibilities that he receives pay for 2 weeks or a month?

Mr. KLANSEK. I presume that that has been done.

Senator GOLDWATER. So in your case it is nothing unusual?

Mr. KLANSEK. It is nothing unusual.

Senator GOLDWATER. Are you getting expenses at the same time?

Mr. KLANSEK. I haven't received any since then.

Senator GOLDWATER. Just a straight salary?

Mr. KLANSEK. Yes.

Senator GOLDWATER. But there is nothing unusual in your getting that?

Mr. KLANSEK. No.

The CHAIRMAN. The next question: Is it not true that most of the time since June 21 you have been incapacitated by reason of an automobile accident?

Mr. KLANSEK. I think I testified.

The CHAIRMAN. You have already so testified.

The next question, and I do not know why they do not ask you instead of having me ask you: Are you now ready and available for assignment?

Mr. KLANSEK. No, sir, I am not. I think I also testified that I am here against doctor's orders.

The CHAIRMAN. You are not able yet to have another assignment?

Mr. KLANSEK. No, sir.

The CHAIRMAN. The next question: Have you had any assignment since the April 4 wire?

Mr. KLANSEK. Yes, I have.

The CHAIRMAN. What was that?

Mr. KLANSEK. I have. I have been continuously negotiating with the north central conference, and some other assignments of other local unions which were not a part of the north central conference.

The CHAIRMAN. You did have, after the April 4 wire, other assignments?

Mr. KLANSEK. Yes, sir.

The CHAIRMAN. And your assignments continued on up until the June 21 wire?

Mr. KLANSEK. And I believe I testified that my phone call after the April 4 wire to Vice President Crawford indicating to me that I continue operating as I had operated previously.

The CHAIRMAN. What was the occasion for that April 4 wire? Was that when Mr. Stuart went out?

Mr. KLANSEK. If that was the time—I believe it was. I am not sure.

The CHAIRMAN. That is the occasion when they sent wires to get everything back, I guess, after he was suspended.

Mr. KLANSEK. I think that might have been the occasion.

The CHAIRMAN. Who did you report to after that?

Mr. KLANSEK. My weekly reports went in directly to President Cross.

The CHAIRMAN. To President Cross after that?

Mr. KLANSEK. Well, they always have been, always.

The CHAIRMAN. I see.

The next question: Did you know that Mr. Phillipsborn had made a loan to Mr. Cross prior to the time of your alleged conversation with Colonel Phillipsborn in 1954?

Mr. KLANSEK. No, sir.

Mr. HARRIS. I beg your pardon, Mr. Chairman. It is "had made no loan." Mr. Phillipsborn had made no loan.

The CHAIRMAN. Thank you, sir.

I will read it again: Did you know that Mr. Phillipsborn had made no loan to Mr. Cross prior to the time of your alleged conversation with Colonel Phillipsborn in 1954?

Mr. KLANSEK. I still don't—

The CHAIRMAN. Did you know—if I get this correctly—did you know that Mr. Phillipsborn had made no loan to Mr. Cross prior to the time of your alleged conversation with Colonel Phillipsborn in 1954?

Mr. KLANSEK. I never knew that there was any type of a loan until I was advised of that at that time.

The CHAIRMAN. Apparently the import of this question is that even in 1954 when you talked to Colonel Phillipsborn, no loan had been made by Mr. Phillipsborn at that time.

Mr. KLANSEK. No; I didn't.

The CHAIRMAN. You do not know one way or the other?

Mr. KLANSEK. No.

Mr. KENNEDY. Mr. Chairman, so that the record is straight, there was a loan of \$16,000 made in 1948 or 1949 to Mr. Cross when he built a home or bought a home out in Chicago, and it was made through Phillipsborn's uncle.

We have gone into that already and had a discussion with Mr. Cross. I do not understand why this question is phrased as it is.

Mr. KLANSEK. I went into no detail with Colonel Phillipsborn on it.

The CHAIRMAN. Here is the last question: Did you know that a telegram, similar to that sent you on June 21, was also sent to at least one other international representative who has not been a witness in this case?

Mr. KLANSEK. No, sir; I do not know that.

The CHAIRMAN. Do you know what his offense was?

Mr. KLANSEK. No, sir. I do not know who they are talking about.

The CHAIRMAN. You have no idea?

Mr. KLANSEK. No, sir.

Mr. KENNEDY. Mr. Chairman, the import of that question is also not accurate. We will go into it later on when Mr. Cross testifies. I think if they are going to propose questions to the witnesses such as that, they should have the facts and statements accurate.

The CHAIRMAN. The witness has answered them. We will develop further testimony.

All right. Are there any other questions?

Are there any other questions?

If not, thank you very much. You may stand aside for the present.

Mr. KENNEDY. We appreciate your coming, Mr. Klansek.

The CHAIRMAN. We appreciate very much your coming.

Who is the next witness?

Mr. KENNEDY. Mr. Carbonara.

(Members present at this point: Senators McClellan, Kennedy, McNamara, Goldwater, and Curtis.)

The CHAIRMAN. Will you be sworn, please?

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. CARBONARA. I do.

TESTIMONY OF PETER CARBONARA, ACCOMPANIED BY COUNSEL, SHERMAN CARMELL—Resumed

The CHAIRMAN. I believe you testified before.

Mr. CARBONARA. I did, Senator.

The CHAIRMAN. A double oath will not hurt.

You are being recalled as a witness. You have with you the same counsel that appeared with you before, counsel of record before?

Mr. CARBONARA. Yes, sir.

Mr. KENNEDY. Mr. Carbonara, you are secretary-treasurer of Local 1, Bakers Union in Chicago?

Mr. CARBONARA. Yes, sir.

Mr. KENNEDY. And you testified before this committee at a prior date?

Mr. CARBONARA. Yes, sir.

Mr. KENNEDY. You testified regarding the negotiations that took place at Zion, Ill., regarding that contract in 1956; is that right?

Mr. CARBONARA. Yes, sir.

Mr. KENNEDY. That you had carried on some negotiations with Colonel Philipsborn in September and October 1956?

Mr. CARBONARA. Yes, sir.

Mr. KENNEDY. And that you had requested strike permission from the international union. After a vote of the membership of something like 108 to 10, or similar figures to that, the membership had agreed that they wanted to go out on strike and you had requested strike permission; is that right?

Mr. CARBONARA. That is right.

Mr. KENNEDY. And that the international union of the bakers had ultimately granted that strike permission?

Mr. CARBONARA. That is correct.

Mr. KENNEDY. And then the strike permission was withdrawn; is that correct?

Mr. CARBONARA. That is correct.

Mr. KENNEDY. You testified further, as I remember it, that subsequently, in 1957, that George Stuart came to Zion and spoke to the employees of the bakers union?

Mr. CARBONARA. That was around about February.

Mr. KENNEDY. Excuse me?

Mr. CARBONARA. Either the latter part of February or the first part of March.

Mr. KENNEDY. Of 1957?

Mr. CARBONARA. Of 1957.

Mr. KENNEDY. And that he came to the employees of the bakers union and said, "We will extend the old contract through May 31 of 1957"?

Mr. CARBONARA. He came at the request of the local union to the international, and he spoke before the meeting that we had in Zion.

Mr. KENNEDY. And he had said that the contract would be extended through May 31, 1957, is that right, to the membership?

Mr. CARBONARA. That is correct.

Mr. KENNEDY. And when he ultimately came and met with you in the office, he said it was in reality going to be extended through December 31, 1957?

Mr. CARBONARA. That is correct.

Mr. KENNEDY. During this period of time, you testified that the membership of the local union was disturbed and upset at what was happening at Zion, Ill., regarding this contract. Is that correct?

Mr. CARBONARA. That is correct.

Mr. KENNEDY. Let me ask you this: Did you feel that this contract was being handled in the ordinary fashion that such contract negotiations would be handled?

Mr. CARBONARA. Well, it was unusual.

Mr. KENNEDY. It was unusual?

Mr. CARBONARA. Yes.

Mr. KENNEDY. Is that correct?

Mr. CARBONARA. That is correct.

(Senator Goldwater left the hearing room.)

Mr. KENNEDY. Mr. Cross, when he testified before this committee in connection with your testimony, Mr. Carbonara—and this is chiefly why I wanted you to appear again—said that you had had very little experience negotiating contracts, and that was the reason for your testimony. On page 976, Mr. Cross said in answer to a question:

Mr. Carbonara testified to that and he is head of the local—

A summary of what you testified today, Mr. Cross answered:

He isn't head of the local, and it was the first contract he ever negotiated in his life.

How long have you been negotiating contracts?

Mr. CARBONARA. Well, I have been negotiating contracts, not all of the contracts in the union, but I have negotiated several contracts, especially recently.

Mr. KENNEDY. He said on page 1076:

Mr. Carbonara is not an experienced man in negotiation to ask about these particular things. You should ask Mr. Conforti, who was head of the local union and handles negotiations.

Have you had much experience in negotiations?

Mr. CARBONARA. I have been in negotiation committees since 1937, and, as an officer of the union since 1945, I have been part of the negotiating committee.

Mr. KENNEDY. Since how long? How long have you been a part of the negotiating committee?

Mr. CARBONARA. Well, since 1937 I have been in my own industry. Of course, I came from the cake industry. And in 1945, in several industries, bread, cake, and sometimes cookies and crackers.

Mr. KENNEDY. So you have had some experience in negotiating for some 20 years; is that right?

Mr. CARBONARA. I was always present at the negotiations.

Mr. KENNEDY. For approximately 20 years?

Mr. CARBONARA. For approximately 20 years.

The CHAIRMAN. Did Mr. Cross know that? When he said you weren't experienced, did he know of your experience over this period of 20 years?

Mr. CARBONARA. Well, I assume that, in his position, maybe he doesn't know what took place in the local union, because a responsible man, which would be the president of the local union, would communicate with him, and I suppose Mr. Cross is under the assumption that the president of the local union negotiates the contract.

Mr. KENNEDY. Concerning this last contract that was just signed, had you taken part in any of the negotiations of that?

Mr. CARBONARA. I was in one conference between myself, Colonel Philipsborn, Jr., and Alvino—he is the president of the international—and Carlson, one of the business agents of the local union.

Mr. KENNEDY. At that time, was there a discussion about giving a pay raise across the board to all the employees?

Mr. CARBONARA. Yes; there was.

Mr. KENNEDY. Was there an agreement at that time by Colonel Philipsborn that he would give such a pay raise across the board?

Mr. CARBONARA. Yes; there was.

Mr. KENNEDY. Was that pay raise across the board ever agreed to?

Mr. CARBONARA. I assume it was agreed at that time.

Mr. KENNEDY. Was it ever written into the contract that was ultimately signed, and that you are working under now?

Mr. CARBONARA. Yes; it was. But, the way I understand, the contract has been ratified, for 8 cents across the board for the first year, and 5 cents——

(The witness conferred with his counsel.)

Mr. CARBONARA. Right now, it seems like the increase has not been granted across the board.

Mr. KENNEDY. It has not been granted across the board?

Mr. CARBONARA. No.

Mr. KENNEDY. There are pieceworkers, is that right, that did not get a raise?

Mr. CARBONARA. There are pieceworkers that have not been granted any increase.

Mr. KENNEDY. Was there some concern amongst the membership about this recent contract that was negotiated and agreed to?

Mr. CARBONARA. Yes. In the cookie plant there is some unrest among the membership.

Mr. KENNEDY. This contract was ultimately agreed to and voted on by the membership, was it not?

Mr. CARBONARA. Yes, sir; it was.

Mr. KENNEDY. Did you hear anything about that, learn anything about that meeting at which this contract was agreed to?

Mr. CARBONARA. I was not present at that meeting. I was in Washington at the time, testifying. But the report that has been given to me from the business representative that was present at this meeting is that the contract was voted by 84 members out of approximately 250, and 37 were against and 47 were in favor of ratifying the contract.

Mr. KENNEDY. That vote was 47 to 37?

Mr. CARBONARA. In favor of accepting the increase.

The CHAIRMAN. And the total membership in that local is what?

Mr. CARBONARA. Right now it is approximately 250.

The CHAIRMAN. Was it approximately that number——

Mr. CARBONARA. Not in the local, Senator, but this is just 2 shops, it includes 2 shops. One is the candy plant and the other one is the cookie plant.

The CHAIRMAN. Are you talking about by the employees of those plants who were members of the union? Is that correct?

Mr. CARBONARA. That is correct.

The CHAIRMAN. I don't quite understand why the others didn't vote. You have about 250 affected, but only 84 voted.

Mr. CARBONARA. Well, there were present 84 at the meeting, or maybe more. I don't know whether there were any one that didn't vote at all. But that is the report that has been given to me.

The CHAIRMAN. How can we check up on that? Is there any record kept of the meeting, of the number of people present and voting, and how they voted?

Mr. CARBONARA. I don't know.

The CHAIRMAN. I want to know how they vote to approve these contracts, to accept the terms of them.

Mr. CARBONARA. I assume there are minutes to that effect, Senator.

Mr. KENNEDY. This raise that was granted would be favorable for the candy-plant workers; is that right? It would be more favorable for the bakery-plant workers than it would be for the bakery workers; is that right?

Mr. CARBONARA. The answer is "Yes" to that, because the candy plant never had a contract, a union contract, before, and the cookie plant was under contract since 1941.

Mr. KENNEDY. Did you understand that, in the people that attended this meeting, there was a large percentage of candy-plant workers?

Mr. CARBONARA. That is what was reported to me.

Mr. KENNEDY. Have you found, regarding this contract that was just signed, and regarding the negotiations that took place prior to that time, have you found some concern among the membership of your union in that area?

Mr. CARBONARA. Prior to what time, Mr. Kennedy?

Mr. KENNEDY. During the period of the past year, have you found some concern?

Mr. CARBONARA. That group of people was not a part of local No. 1 until April 1956.

Mr. KENNEDY. Since you have gotten into the situation, have you found some concern among the workers?

Mr. CARBONARA. There was concern about getting a good increase, and they were concerned in getting a welfare plan or a pension plan.

Mr. KENNEDY. Did they get a pension and welfare plan?

Mr. CARBONARA. Not in this contract; no.

Mr. KENNEDY. That wasn't agreed to either; is that right?

Mr. CARBONARA. No; it was not agreed.

Mr. KENNEDY. The candy plant workers, Mr. Carbonara, were signed up by the Zion management; is that right?

Mr. CARBONARA. We sent the applications to Colonel Phillipsborn, and the checkoff assignment card. The applications came through the mail to our office.

Mr. KENNEDY. How did you happen to send those applications to Colonel Phillipsborn?

Mr. CARBONARA. I was instructed by George Stuart to send some applications and some authorization cards for checkoff to Colonel Phillipsborn back in January 1957.

Mr. KENNEDY. Did you understand at that time that an agreement had been reached between Mr. Phillipsborn, Sr., and Mr. George Stuart, as to what the terms of the contract would be during this period of 1957?

Mr. CARBONARA. Not until the latter part of January.

Mr. KENNEDY. January 28?

Mr. CARBONARA. Possibly.

The CHAIRMAN. The Chair hands you what purports to be a photostatic copy of a letter dated January 28, 1957, addressed to you as financial secretary-treasurer of the Bakery and Confectionery Workers International Union of America, Local No. 1, signed by Martin Phillipsborn, Jr. I ask you to examine this photostatic copy and see if you identify it as such.

(Document handed to witness.)

Mr. CARBONARA. That is right.

The CHAIRMAN. That will be made exhibit No. 79. I will determine whether it should be printed in the record or whether it should be just for reference in a moment.

Do you want it in the record?

Mr. KENNEDY. I want it as a part of the record.

The CHAIRMAN. It will be made a part of the record.

(The document referred to was marked "Exhibit No. 79" for reference and will be found in the appendix on pp. 3210-3212.)

Mr. KENNEDY. This letter, dated January 28, stipulated that the contract, the old contract, that had been in existence up until the end of 1956, was to be extended through 1957, through December 31, 1957, with the understanding that any of the agreements that you had already reached with Mr. Phillipsborn would go into effect; is that right?

Mr. CARBONARA. That is correct.

Mr. KENNEDY. The agreements that you had reached with Mr. Phillipsborn were of a relatively minor nature; is that right?

Mr. CARBONARA. There wasn't too much value in monetary extent. There were some provisions like an additional holiday, and there was improvement of about 10 people that would have gotten some kind of an increase.

Mr. KENNEDY. But they were of a relatively minor nature, were they not?

Mr. CARBONARA. That is correct.

Mr. KENNEDY. And Mr. Phillipsborn said that the negotiation on this contract—and I will read the last paragraph on page 1:

The agreements which you and I reached, mentioned in the basic memorandum, are contained in the enclosed memorandum dated the 5th of November, which was in the possession of my father at the time that he and Mr. Stuart initialed the memorandum I quote.

So the agreements that you and Mr. Phillipsborn had reached, those agreements of a relatively minor nature, had been reached prior to November 5, 1956; is that right?

Mr. CARBONARA. That is correct.

Mr. KENNEDY. And at that time, at least according to this letter, there was an agreement by Mr. Stuart and Mr. Phillipsborn, Sr., as to the terms of this contract.

Mr. CARBONARA. I don't know what kind of agreement they had. I was not present.

Mr. KENNEDY. It says:

In possession of my father at the time that he and Mr. Stuart initialed the memorandum I quote.

And the memorandum he quotes is what is going to be the terms of the contract; is that right?

Mr. CARBONARA. That is correct.

Mr. KENNEDY. I would like to read you from page 2, the third paragraph:

Once the contract is drawn up in accord with the basic memorandum initialed by Mr. Stuart and the enclosed memorandum of our agreements, we will sign this at once and then proceed to enroll the workers in the candy plant into the union.

Is that a usual procedure, that the management takes upon themselves to enroll workers in a union?

Mr. CARBONARA. It could be, Mr. Kennedy. I don't say. But it would seem to me an unusual procedure.

Mr. KENNEDY. Had there been any vote of the candy workers as to whether they wished to go into the union or not?

Mr. CARBONARA. No, sir.

Mr. KENNEDY. So the management, therefore, was taking it upon themselves to enroll the workers of the candy plant prior to the time there ever had been a vote as to whether they wanted to join the union; is that right?

Mr. CARBONARA. That is correct.

Mr. KENNEDY. Did you understand that Mr. Phillipsborn put a notice up in the candy plant encouraging the workers to join the union?

Mr. CARBONARA. I never seen that. If I am not mistaken, I have never seen that notice. I don't know; I am kind of doubtful about it. But I assume that he did put some notice in order to inform the people.

The CHAIRMAN. You never saw the notice?

Mr. CARBONARA. I think I have seen it, Senator. I am not positive. Maybe if I see it now, I could tell.

The CHAIRMAN. I present to you what purports to be a photostatic copy of it, and I ask you to examine it and see if you identify it.

(Document handed to witness.)

(The witness conferred with his counsel.)

Mr. CARBONARA. No, I never did, Senator.

The CHAIRMAN. I did not understand you.

Mr. CARBONARA. I never did.

The CHAIRMAN. I asked you if you identify that, if you ever saw that.

Mr. CARBONARA. I never seen a notice like this.

The CHAIRMAN. You could not identify it?

Mr. CARBONARA. I could not identify it.

The CHAIRMAN. All right. Thank you very much.

Mr. KENNEDY. Mr. Carbonara, Mr. Pfeiffer, the personnel manager, then made arrangements with you to sign the union members up, is that right, that he would sign the members of the candy plant?

Mr. CARBONARA. He has never made any arrangement with me, but he sent me the applications signed by the members.

Mr. KENNEDY. Signed by the members.

The management had been the one to distribute the application cards?

Mr. CARBONARA. I shall say the workers in the candy plant, because they were not members at that time.

Mr. KENNEDY. These are the letters, Mr. Chairman, which I would like to make an exhibit for reference, when he sent in the application cards from the workers.

The CHAIRMAN. The Chair hands you a series of photostatic copies of letters on Zion Industries, Inc., letterhead, and asks you to examine them. They are addressed to you, signed by Mr. A. H. Pfeiffer, personnel manager. Examine them and see if you identify those as letters you received.

(Documents handed to witness.)

Mr. CARBONARA. Yes, I do identify these.

The CHAIRMAN. That group of letters will be made exhibit No. 80. They may just be made exhibits for reference only.

(The documents referred to were marked "Exhibit 80," for reference and may be found in the files of the select committees.)

Mr. KENNEDY. I want to point out, Mr. Chairman, that the memorandum that is referred to in this letter, that appears on page 1 of the January 28 letter, is identical to the letter that was written by Mr. Phillipsborn, Sr., to Mr. George Stuart, confirming a conversation that Mr. Phillipsborn, Sr., had had with Mr. Stuart and Mr. Cross on November 9.

The CHAIRMAN. Is that already in the record?

Mr. KENNEDY. That has been in the record. It was a subject of discussion at the last hearing.

The CHAIRMAN. Very well.

Senator KENNEDY. Mr. Chairman, I notice in this memorandum it states:

Once the contract is drawn up in accord with the basic memorandum initiated by Mr. Stuart, and the enclosed memorandum of our agreements, we will sign this at once and then proceed to enroll the workers of the candy plant into the union. As I recall our talk on Wednesday, you were going to think about the best way of putting this to the workers, and you were to advise whether you thought it best that the company do it or that he union do it. In his connection, however, I note in your letter of November 23, that there is an initiation fee of \$15 per person. Will this apply to the workers in the candy plant as well? If you can see any way to waive this requirement, I wish you would, because our candy plant workers are going to be reluctant to join the union and this will make it more difficult to persuade them to do so. If you insist on this initiation fee, I fear we will lose a lot of employees and you will lose a lot of potential members.

Section 8 (a) of the Taft-Hartley Act makes it an unfair labor practice for an employer to "dominate or interfere with the formation or administration of any labor organization or contribute financial or other support to it."

It seems to me that there is no doubt that this letter to you, by Mr. Martin Phillipsborn, indicates that he was attempting to dominate or interfere with the formation of a labor organization. He writes to you about putting it to the employees so that it will be more palatable to them if they are opposed to it, et cetera. What do you think of that?

Mr. CARBONARA. I couldn't make any conclusion on that, Senator, because nothing materialized in that time, during that period. Neither the initiation fee was fixed or anything materialized.

Senator KENNEDY. Did you write an answer to Mr. Phillipsborn, to this letter of January 28, in which you stated that you would not waive the \$15? Who paid that? Did the candy people pay it, did you waive it, or did the employees pay it?

(The witness conferred with his counsel.)

Mr. CARBONARA. I think on your first question, Senator, that it is a legal point involved that I could not answer. On the second part of the question, we have received now from Colonel Phillipsborn \$145 which is a deduction of dues that has been made during the month of June.

Senator KENNEDY. What about the initiation fee?

Mr. CARBONARA. We have not received yet.

Senator KENNEDY. That has been waived, in other words?

Mr. CARBONARA. No, not as far as our union is concerned.

Senator KENNEDY. Did you ever answer this letter?

Mr. CARBONARA. I don't think I ever did.

Senator KENNEDY. He is asking you a question.

(The witness conferred with his counsel.)

Senator KENNEDY. This was written in January. You must have given him some answer.

Mr. CARBONARA. I referred that to Mr. George Stuart at that time, and it was up to him to make any device in order to collect the initiation fee.

Senator KENNEDY. Did you ever receive any assistance in organizing employees from an employer?

Mr. CARBONARA. Not that I recall.

Senator KENNEDY. This is the first time in your experience that an employer went to this length to help you organize the employees?

Mr. CARBONARA. That is correct.

Senator CURTIS. Do you consider those workers members of the union now?

Mr. CARBONARA. Yes. They are under contract.

Senator CURTIS. How many of them are paying dues?

Mr. CARBONARA. I stated that so far we have received \$145, at \$2.50 per month. You could figure how many people.

Senator CURTIS. Does that include everybody that is working there?

Mr. CARBONARA. Not everybody; no.

(At this point, Senator Mundt entered the hearing room.)

Senator CURTIS. This contract that was entered into, was that a union-shop contract?

Mr. CARBONARA. Yes; it is a union contract.

Senator CURTIS. And if they seek to enforce it, the individual workers who do not continue in membership will lose their jobs; is that correct?

(The witness conferred with his counsel.)

Mr. CARBONARA. Do you mean, Senator, if they don't pay their dues?

Senator CURTIS. Yes.

Mr. CARBONARA. Well, yes; I would consider that a violation of the contract.

Senator CURTIS. So far as you know, the question of whether or not they wanted a union-shop contract was never put to those workers?

(The witness conferred with his counsel.)

Mr. CARBONARA. I don't know what Colonel Philipsborn did in the candy plant, so I wouldn't know how to answer that question, Senator.

Senator CURTIS. Has their union ever had any meetings?

Mr. CARBONARA. I would say "No."

Senator CURTIS. They have no regular meetings?

Mr. CARBONARA. No regular meeting; no.

Senator CURTIS. Do they have any officers?

Mr. CARBONARA. No; not yet.

Senator CURTIS. But they have signed a contract requiring the maintenance of membership.

Mr. CARBONARA. That is correct.

Senator CURTIS. What is the status of the contract so far as the union is concerned now? Do you have a contract?

Mr. CARBONARA. Yes, we have a contract. The committee has a copy of the contract.

Senator CURTIS. And can the union enforce that contract and require the payment of the initiation fee on the dues of the individual workers?

(The witness conferred with his counsel.)

Mr. CARBONARA. That is a legal interpretation, Senator. I wouldn't know right now how to answer that question. There hasn't been any development. We haven't taken any of that action yet.

Senator CURTIS. Who for the union entered into this arrangement with Mr. Philipsborn besides yourself?

Mr. CARBONARA. The international vice president, Henry Alvino.

Senator CURTIS. Who?

Mr. CARBONARA. International Vice President Henry Alvino.

Senator CURTIS. In whose behalf was he acting?

Mr. CARBONARA. In behalf of the international.

Senator CURTIS. Mr. Cross?

Mr. CARBONARA. I would not know. In behalf of the international. It is only that I know that he is a vice president of the international.

Senator CURTIS. Did anyone ask you of your opinion about what would have to be done in reference to the initiation fee?

Mr. CARBONARA. No, sir.

Senator CURTIS. Did anyone ever ask the workers if they wanted to join the union?

Mr. CARBONARA. Not from the union, no.

Senator CURTIS. So whatever organizing has been done, has been done by the management of the bakery; is that correct?

Mr. CARBONARA. At this present time, yes.

Senator CURTIS. That is all, Mr. Chairman.

Senator McNAMARA. Mr. Chairman?

The CHAIRMAN. Senator McNamara.

Senator McNAMARA. You indicated you received \$145 in dues for the month of June?

Mr. CARBONARA. That is correct.

Senator McNAMARA. And logically, whether it is spelled out or not, the initiation fee has been waived. You cannot accept dues unless people are initiated, can you? I mean, you are treating them as members when you accept dues, and that indicates that the initiation fee has been waived.

Mr. CARBONARA. Not necessarily. We have had occasion, Senator, where we start charging the dues before the initiation fee.

I am talking about single cases. I am not talking about groups of people.

Senator McNAMARA. We are talking about a group of people, because it is \$145 in dues involved for the month of June, and there were 29 people in the group. Now we are talking about a group of people and not an individual person, because that is the way you stated it. You said \$2.50.

Mr. CARBONARA. \$2.50 per month, yes.

Senator McNAMARA. That would be 29 people, would it not?

Mr. CARBONARA. That would be 58.

Senator McNAMARA. Twice as many. My mathematics are a little bad. I am sorry.

Then we have a group of people. This is the first time you have ever done it, you say?

Mr. CARBONARA. That is right.

Senator McNAMARA. If a fellow doesn't have enough money to pay and you are organizing, you will let him pay on his initiation fee, and that is common practice?

Mr. CARBONARA. We charge a minimum fee. Our initiation fee in Zion is \$15, but sometimes, in organizing campaigns, we charge a minimum fee of \$5.

Senator McNAMARA. But you mentioned the initiation fee in this instance to be \$15, or the correspondence indicated that it was \$15.

Mr. CARBONARA. Yes, but not for the group of the candy plant. For the candy plant, if we will charge any fees, it will be \$5.

Senator McNAMARA. These 58 people were predominantly candy plant workers?

Mr. CARBONARA. They are candy workers, yes.

Senator McNAMARA. All of them?

Mr. CARBONARA. All of them.

Senator McNAMARA. And regardless of the fact that frequently it is not \$15, in this instance it was \$15, according to the records, is that right?

Mr. CARBONARA. No. We charged \$15 for the people that joined the union after the contract was signed, but the ones that come in prior to the signature of the contract, they did charge the minimum fees, that is, organizing fees, we call it, of \$5.

Senator McNAMARA. You had an open charter, and after a certain date it was a closed charter and you went back to the \$15, is that it?

Mr. CARBONARA. That is right.

Senator McNAMARA. I understand that.

Mr. CARBONARA. We set the time of 2 or 3 months.

Senator McNAMARA. All right. That is for a special organizing drive and so on.

Mr. CARBONARA. That is correct.

Senator McNAMARA. Your title is secretary-treasurer of Local 1, Bakers Union of Chicago?

Mr. CARBONARA. That is correct.

Senator McNAMARA. In this capacity, you are acting as business manager as well as secretary-treasurer, is that not right, when you go out negotiating with an employer?

Mr. CARBONARA. No. The president is the business manager.

Senator McNAMARA. Normally, is the president a full-time official? He doesn't work at the trade?

Mr. CARBONARA. Yes.

Senator McNAMARA. But the secretary-treasurer negotiates, generally, in this field.

Mr. CARBONARA. No, no. The president signs all the letters pertaining to negotiation. He might assign me or might assign a business agent to negotiate a certain contract.

Senator McNAMARA. You were assigned by the president of your local union to this particular job?

Mr. CARBONARA. Precisely.

Senator McNAMARA. Which is normally not the job of the secretary-treasurer?

Mr. CARBONARA. That is right, yes.

Senator McNAMARA. The secretary-treasurer's job is normally to take care of the books, records, and funds of the organization?

Mr. CARBONARA. That is right.

Senator McNAMARA. This seems to be something outside your normal assignments?

Mr. CARBONARA. That is right.

Senator McNAMARA. That is all, Mr. Chairman.

The CHAIRMAN. Are there any other questions?

Senator CURTIS. Has this contract ever been approved by the National Labor Relations Board?

(The witness conferred with his counsel.)

Mr. CARBONARA. I don't know, Senator. I couldn't answer that.

Senator CURTIS. That is all, Mr. Chairman.

The CHAIRMAN. The Chair wishes to mention that we will have to adjourn by 4 o'clock. It is obvious that we cannot conclude by that time. If there is no objection on the part of the members of the committee, if it is convenient for them, we will recess until 10 o'clock in the morning and resume then, and hope to finish in the morning session with this part of the hearing.

Tomorrow afternoon we will begin hearings on the textile workers.

Mr. CARMELL. Mr. Chairman, is Mr. Carbonara finished?

The CHAIRMAN. Counsel says he does not think further testimony from you will be required. Therefore, you may be excused.

The committee will stand in recess until 10 o'clock in the morning.

(The following committee members were present at time of adjournment: Senators McClellan, Mundt, Kennedy, McNamara, and Curtis.)

(Whereupon, at 3:47 p. m., the committee was recessed, to reconvene at 10 a. m., Wednesday, July 17, 1957.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

WEDNESDAY, JULY 17, 1957

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES IN THE
LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee met at 10 a. m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator John F. Kennedy, Democrat, Massachusetts; Senator Pat McNamara, Democrat, Michigan; Senator Barry Goldwater, Republican, Arizona; Senator Carl T. Curtis, Republican, Nebraska; also present: Robert F. Kennedy, chief counsel to the select committee; George Kopecky, assistant counsel; James F. Mundie, investigator; Ruth Young Watt, chief clerk.

The CHAIRMAN. The committee will be in order.

(Members of the select committee present at the convening of the session were Senators McClellan and Goldwater.)

Mr. KENNEDY. Mr. George Kopecky.

TESTIMONY OF GEORGE KOPECKY—Resumed

The CHAIRMAN. Mr. Kopecky, have you been previously sworn?

Mr. KOPECKY. Yes, Senator, I have.

The CHAIRMAN. In the course of this hearing inquiring into the bakers and confectionery union?

Mr. KOPECKY. Yes, sir.

The CHAIRMAN. At that time I am sure you stated when you testified previously, your position of employment with this committee and your activity in the course of this inquiry; is that correct?

Mr. KOPECKY. That is correct, Senator.

The CHAIRMAN. All right, counsel, proceed.

Mr. KENNEDY. Mr. Kopecky, in some of the previous hearings that we have held, we have discussed the contract negotiations and the contracts that have been signed out at Zion, Ill., between the bakers union and the bakery out there.

Mr. KOPECKY. That is right.

Mr. KENNEDY. And there was discussion and testimony by Mr. Carbonera, was there not, that the individual members of the bakers union in Zion were dissatisfied with the way the contract negotiations had been conducted and ultimately, there was testimony by Mr. Klansek

and an affidavit submitted by Mr. Klansek that they were dissatisfied with the contracts that had been signed previously?

Mr. KOPECKY. That is the information that was passed on to me.

Mr. KENNEDY. And there was testimony regarding the level of the contract in comparison with other contracts in that area; was there not?

Mr. KOPECKY. That is right.

Mr. KENNEDY. And the issue was never clear as to whether this contract was as good as the other contracts in the Chicago area and the contracts that were signed by local union No. 1 in this Chicago area?

Mr. KOPECKY. That is the general information, but nothing had been established as to that.

Mr. KENNEDY. Were you able to make a study and a comparison of all of the contracts that were signed by local union No. 1 of the bakers union in Chicago, Ill.?

Mr. KOPECKY. That is correct.

Mr. KENNEDY. That is the local that signs contracts up in Zion, Ill.?

Mr. KOPECKY. That is the union responsible for Zion and the Greater Chicago area.

Mr. KENNEDY. And you made such a comparison; have you?

Mr. KOPECKY. Yes, sir; I have.

Mr. KENNEDY. Not only of the contract that was just signed in early June of this year, but of previous contracts; is that right?

Mr. KOPECKY. That is right.

Mr. KENNEDY. How does the contract at Zion, Ill., the contracts that have been signed before as well as the contract recently signed, compare with other contracts signed by local union No. 1?

Mr. KOPECKY. Comparing the new Zion contract with the contracts handled by local union No. 1, in Chicago, a comparison of the minimum rates and the hourly rates plus such items as fringe benefits and the length of the contract, reflected that the Zion contract does not compare favorably with these other contracts.

The CHAIRMAN. Let us get some number in the record so that we can establish how many you compared with it.

Mr. KOPECKY. Fifteen other contracts which are those handled by the local union No. 1, plus contracts handled by two other local unions in Chicago and plus a representative and similar nonunion contract.

The CHAIRMAN. So you have made a comparison of the Zion contract with some 15 or 17 others in the Chicago area?

Mr. KOPECKY. That is right.

The CHAIRMAN. Is that correct?

Mr. KOPECKY. A minimum of 15 to 17; that is right.

The CHAIRMAN. All right. You may proceed. I just wanted to get whether you had a cross section of other contracts in that field, or just singled out 1 or 2.

Mr. KOPECKY. I might add, Mr. Chairman, that in connection with some of these contracts, there may be 1 contract for as many as 30 different shops.

The CHAIRMAN. Where you speak of a contract, it does not necessarily apply just to one business?

Mr. KOPECKY. No, sir.

The CHAIRMAN. A contract may involve a number of shops.

Mr. KOPECKY. That is right.

The CHAIRMAN. But there was a minimum of 17 contracts with which you made the comparison?

Mr. KOPECKY. That is correct.

The CHAIRMAN. And that 17 would include, you do not say how many, but many more shops than the 17.

Mr. KOPECKY. In some instances it could cover only 1 shop and in other instances it will cover upward of 30 shops.

The CHAIRMAN. Upward of 30 shops?

Mr. KOPECKY. Yes, sir.

The CHAIRMAN. All right.

Mr. KENNEDY. Now, on the question of the size of these shops, were some of them that you compared the contracts on, were some of them smaller than Zion?

Mr. KOPECKY. Some were smaller and some in the same approximate total employees.

Mr. KENNEDY. And some larger?

Mr. KOPECKY. Some were larger.

Mr. KENNEDY. From what size did they range?

Mr. KOPECKY. They ranged from what is termed according to the union, as a corner bakeshop of 2 or 3 or 4 employees, to several hundred employees.

Mr. KENNEDY. Aren't some of them even larger than that?

Mr. KOPECKY. Yes; that is right. One analysis prepared by the union itself indicated that there are approximately 500 to 550 employees.

Mr. KENNEDY. Now, you say this contract that was recently signed compares unfavorably with these other contracts. Does that mean the wages and hours and conditions and the terms of the contracts?

Mr. KOPECKY. It contains a number of factors that go to the comparison of the minimum hourly rate and it goes to a comparison of the maximum hourly rate and by this I mean the fact that the minimum hourly rate of the Zion contract would be less than the minimum hourly rate for these other contracts which were compared and consequently the maximum hourly rate would be lower than the maximum hourly rate in these other contracts.

Then, in addition, these other contracts have such provisions as health-and-welfare benefits and pension-fund benefits and this is applied on a per hourly basis. For instance, in 1 contract that I read from, Mama Cookies, which is fairly similar in size, there are 80 employees approximately, and also in the Chicago area, the employer contributed a total of 13 cents an hour in these fringe benefits, which necessary has to be added on to the minimum rate and hourly rate.

The CHAIRMAN. Now, let us put it in different categories. As to wages, minimum wages, the Zion contract provides for a smaller wage than these others that you examined; is that correct?

Mr. KOPECKY. Yes, sir.

The CHAIRMAN. That is the stipulated wage, the minimum wage per hour?

Mr. KOPECKY. Yes.

The CHAIRMAN. It provides less?

Mr. KOPECKY. Yes.

The CHAIRMAN. Than the others that you examined.

Mr. KOPECKY. That is right.

The CHAIRMAN. Did you find any other that had the same low wage as Zion among those you examined?

Mr. KOPECKY. For the lowest minimum wage, no, not in the contracts handled by the local union No. 1, which is responsible for Zion.

The CHAIRMAN. You found no other out of the 17 or more that you examined, where the minimum wage was as low as that of Zion?

Mr. KOPECKY. Not in the Chicago area. There is some information outside of the Chicago area, in other parts of the country.

The CHAIRMAN. I am talking about in this Chicago area where this Zion plant is located.

Mr. KOPECKY. That is correct, sir.

The CHAIRMAN. Now, go to the next one. Does the Zion contract provide for a pension plan?

Mr. KOPECKY. No; it does not.

The CHAIRMAN. Do the other contracts of the others that you examined provide for some pension plan?

Mr. KOPECKY. In the vast majority of cases. There are 1 or 2 instances where there is no pension plan. I find in one instance in the local union 1 area, 2 instances in the local union area, and that is all.

The CHAIRMAN. In two other instances, out of those that you examined, out of 17 or more that you examined, there is no pension plan provided for?

Mr. KOPECKY. That is right.

The CHAIRMAN. Now, let us go to the welfare plan.

Mr. KOPECKY. There is no health-and-welfare plan at Zion, and in all other instances the contracts handled by local No. 1, there is one exception where there is no health-and-welfare plan.

The CHAIRMAN. Out of the 17 or more you examined, there is 1 other exception.

Mr. KOPECKY. That is right.

The CHAIRMAN. Where they have no welfare plan or health-and-welfare plan?

Mr. KOPECKY. That is right.

The CHAIRMAN. How about holidays; did you make a comparison of that?

Mr. KOPECKY. I do not have an analysis of that; no.

The CHAIRMAN. You made no analysis of that?

Mr. KOPECKY. No.

The CHAIRMAN. In what other respect did you make an analysis?

Mr. KOPECKY. I made an analysis of the length of the contract.

The CHAIRMAN. The length of the contract?

Mr. KOPECKY. Yes, sir. Now, this comparison shows that the Zion contract runs for a period of 3 years which is a longer period of time than any other contract.

The CHAIRMAN. Of all of the others you examined, did any of them run for as long as 3 years?

Mr. KOPECKY. No, sir.

The CHAIRMAN. But the Zion contract from your testimony, and from your examination of it, is less favorable to the workers than any of the others?

Mr. KOPECKY. That is correct.

The CHAIRMAN. And also it gives another disadvantage, apparent disadvantage, in that it runs for a longer period of time than the others you examined.

Mr. KOPECKY. That is correct.

The CHAIRMAN. Is that correct?

Mr. KOPECKY. Yes.

The CHAIRMAN. Now, what other comparisons did you make?

Mr. KOPECKY. The other comparison I made was with an analysis of independent biscuit groups. This is an analysis prepared by the bakery union itself and it is categorized as to various groups, whether it be chain groups or independent groups, and in the independent group in which Zion Industries is included, in its proper category, I found that there again, the Zion contract was lower in its rates than the other bakeries in the Chicago area.

The CHAIRMAN. Where did you get this chart there, the comparison that you are now testifying from, that you say is the union's comparison?

Mr. KOPECKY. This is entitled, "The report of survey on wage rates and working conditions in union biscuit plants, prepared by the biscuit council of the Bakery and Confectionery Workers of America." It was furnished to me by union officials.

The CHAIRMAN. That may be made exhibit No. 81 for reference only.

(The document referred to was marked "Exhibit No. 81" for reference and may be found in the files of the select committee.)

The CHAIRMAN. Do you have a worksheet upon which you made your comparison, your own calculations?

Mr. KOPECKY. I do; yes, sir. This is a document that I was reading from earlier.

The CHAIRMAN. That is the one you testified from as to the comparisons you made?

Mr. KOPECKY. That is right.

The CHAIRMAN. You have worked it out on a worksheet or chart so that it can properly reflect the testimony that you have already given?

Mr. KOPECKY. Yes, sir.

The CHAIRMAN. All right. That worksheet may be made exhibit No. 82 for reference and it need not be printed in the record. It is just to make it a document so we can refer to it to make the comparison.

(The document referred to was marked "Exhibit No. 82" for reference and may be found in the files of the select committee.)

(At this point, Senator McNamara entered the hearing room.)

The CHAIRMAN. Is there any other comparison?

Mr. KOPECKY. That is the extent of it.

The CHAIRMAN. That is the extent of it?

Mr. KOPECKY. Yes, sir.

Mr. KENNEDY. Mr. Chairman, there was also a comparison not only of the contract that was just signed, but contracts in the past, isn't that right?

Mr. KOPECKY. That is right.

Mr. KENNEDY. The contract that Mr. Klansek testified to.

Mr. KOPECKY. That is right, which is a part of the worksheet analysis.

Mr. KENNEDY. Did you also find that that was the lowest on the same basis that you used in answer to Senator McClellan's question?

Mr. KOPECKY. That is right.

Mr. KENNEDY. That is the lowest in that area?

Mr. KOPECKY. Yes, sir.

Mr. KENNEDY. Mr. Kopecky, there was also some testimony before the committee regarding the feeling and opinion of the people at the bakery in Zion, Ill., and you are familiar with that testimony.

Mr. KOPECKY. I was present when that testimony was presented.

Mr. KENNEDY. There was testimony by Mr. Cross that this contract was perfectly proper, and acceptable because the people at Zion, Ill., had voted in favor of this contract?

Mr. KOPECKY. That is correct.

Mr. KENNEDY. Now, did I request that you go out to Zion, Ill., and that you interview Mr. Carbonera and Mr. Conforti regarding Mr. Cross' testimony?

Mr. KOPECKY. You made that request.

Mr. KENNEDY. And in the course of the interview, or those interviews, and other interviews that you conducted, did you learn that there was some dissatisfaction among the workers at Zion, Ill., at the bakery there?

Mr. KOPECKY. During the course of my investigation I heard that there was a certain amount of dissatisfaction.

Mr. KENNEDY. Did you learn that that dissatisfaction—or were you interested in not only whether that dissatisfaction was about the terms of the contract, but on how the contract had originally been accepted?

Mr. KOPECKY. Yes, that is right.

Mr. KENNEDY. Were you interested also in finding out what the opinions of the members of the bakery union were as to how the negotiations had been handled by their officials?

Mr. KOPECKY. Yes, sir.

Mr. KENNEDY. Were you interested in finding that out in view of the fact that you did not want to just rely on the statements of certain of the union officials, that you wanted to go further than that?

Mr. KOPECKY. I wanted to go further, right to the source.

Mr. KENNEDY. Did you go and interview certain of these members of the bakery union out there?

Mr. KOPECKY. I did make contact, and interview certain of them.

Mr. KENNEDY. Did some of those people express dissatisfaction with how the contract negotiations had been handled and also on the terms of the contract?

Mr. KOPECKY. Yes, sir.

Mr. KENNEDY. Did they also express to you their opinion as to why the contract had been accepted by the employees at the bakery plant in Zion, Ill.?

Mr. KOPECKY. Yes, sir.

Mr. KENNEDY. And did you ask them when they gave you that information, to furnish an affidavit to the committee to that effect?

Mr. KOPECKY. That is correct.

Mr. KENNEDY. After that affidavit was furnished, did you ask them also if this was their opinion or whether this was a feeling among the employees generally?

Mr. KOPECKY. Yes, sir.

Mr. KENNEDY. And so did you then say to them that it would be helpful to the committee if they were able to get more names on this statement that was to be submitted to the committee?

Mr. KOPECKY. That is right.

Mr. KENNEDY. Did you explain to them at that time that it was a statement or petition, that was to be submitted to the committee, but that it had to be notarized and that each name that appeared on there had to be notarized or the committee could not accept it?

Mr. KOPECKY. That is right.

Mr. KENNEDY. They understood that?

Mr. KOPECKY. They understood that it would be a voluntary statement and it was setting forth their viewpoint, and it would have to be notarized.

(At this point, Senator Kennedy entered the hearing room.)

Mr. KENNEDY. Did you obtain some of those statements?

Mr. KOPECKY. Yes, sir.

Mr. KENNEDY. These people that you talked this matter over with, they went through the plant and received some more of these statements from these people?

Mr. KOPECKY. Yes, they did.

Mr. KENNEDY. Do you have those statements with you?

Mr. KOPECKY. I do.

The CHAIRMAN. Let me see them, please.

(A group of documents were handed to the chairman.)

The CHAIRMAN. Did you prepare these statements?

Mr. KOPECKY. Mr. Chairman, in the handwritten document, I interviewed the party and then on the basis of the conversation between the two of us, I prepared the affidavit.

The CHAIRMAN. On the basis of information, who furnished you?

Mr. KOPECKY. A Mrs. Bertana.

The CHAIRMAN. Who is she?

Mr. KOPECKY. She is the former president of local union 150, which was in the area of Zion, Ill., and at the present time she is a union member and an employee of the Zion Bakery plant.

The CHAIRMAN. She is an employee of the Zion Bakery plant?

Mr. KOPECKY. Yes, sir.

The CHAIRMAN. Just glancing at this, it appears to be an affidavit signed by some 25 or 30 people, dated June 26, 1957, in Zion, Ill., and it appears to be notarized by John G. McCullough, notary public.

Did you prepare this handwritten affidavit?

Mr. KOPECKY. No, I did not.

The CHAIRMAN. Who prepared it?

Mr. KOPECKY. I would just like to make one correction. I indicated that was from Mrs. Bertana. That was prepared by Mrs. Nelson.

The CHAIRMAN. Did you dictate it?

Mr. KOPECKY. No; I did not dictate that.

The CHAIRMAN. You did not dictate this?

Mr. KOPECKY. No, sir.

The CHAIRMAN. Were you present when these people signed it?

Mr. KOPECKY. No, sir, I was not.

The CHAIRMAN. Who procured the signatures to it, so far as you know?

Mr. KOPECKY. As far as I know, Mrs. Nelson did.

The CHAIRMAN. Who is she now, and you testified who the other lady was.

Mr. KOPECKY. Mrs. Nelson is an employee of the Zion Bakery plant, and is a member of the bakery union. I believe her title at the present time is also a recording secretary.

The CHAIRMAN. Is this her handwriting?

Mr. KOPECKY. To the best of my knowledge; yes. She indicated she was going to write that out, and I was not present when she wrote it out.

The CHAIRMAN. Did you give her a form to go by?

Mr. KOPECKY. What had happened in connection with that, Senator, is that I had interviewed her previously, and on the basis of our conversation, I prepared a written statement which you have there and I indicated to her that if other individuals felt as she did, that she could use any portion of that statement to modify it.

The CHAIRMAN. What you prepared was on the basis of what she said to you.

Mr. KOPECKY. Yes, sir.

The CHAIRMAN. And then when you told her if others felt the same way to get affidavits to that effect and she then, on the basis of what she had told you and what you had prepared on the basis of what she had told you, prepared this affidavit herself, and circulated it?

Mr. KOPECKY. That is right.

(At this point, Senator Curtis entered the hearing room.)

The CHAIRMAN. Is there anything further regarding it?

This may be made exhibit No. 83 for the present. I am going to make it an exhibit for reference and later it may be placed in the record. We will determine about that later.

(The document referred to was marked "Exhibit No. 83" for reference and may be found in the files of the select committee.)

The CHAIRMAN. Now, that is the one you referred to as being made by Mrs. Nelson. I do not read this writing very well. Will you read this for the present or the important parts of it?

Mr. KOPECKY. Yes, sir; the pertinent portions. Not in full, but the pertinent portions. "I furnish this voluntary statement to George M. Kopecky"—

The CHAIRMAN. All I care for at the moment is what their complaints were, and what they said was wrong with the contract.

Mr. KOPECKY (reading):

On June 3, 1957, a meeting was held of the Zion Bakery plant workers to vote to accept or reject the new contract to run for 3 years. Up to this time, the candy plant workers had not been organized. Efforts were being made to bring these candy plant workers into the union. A vote was taken by hand count.

The CHAIRMAN. By hand count?

Mr. KOPECKY. In other words, the parties raising their hands.

and the secretary's records reflect there were 47 voting in favor of the new contract and 37 voting to reject the new contract.

To the best of our calculations, the candy-plant workers made up about 75 percent of those in attendance and the bakery workers made up the remaining 25 percent.

Most of the candy-plant workers were in attendance at the meeting, and the only reason we can advance for the poor attendance of the bakery-plant workers is due to the fact that these members were disgusted and dissatisfied with events which had occurred in the past, and in attempting to secure greater benefits for the workers.

In our opinion, this new 3-year contract is a poor one, and is not satisfactory due to the fact, No. 1, the contract was not retroactive to September 30, 1956,

which was the date of expiration of the contract. In every other instance, during our years of association with the union, a new contract was retroactive to the expiration date of the old contract to the best of our knowledge.

The CHAIRMAN. Do you know what time elapsed there between the expiration of the old contract and the time the new one went into effect? You said it was not retroactive.

Mr. KOPECKY. The old contract expired September 30, and the new contract was effective September 1, so the period from October 1, to June 1—

The CHAIRMAN. Wait a minute now. I did not quite understand that. The old contract expired when?

Mr. KOPECKY. September 30, 1956, and the new contract is effective June 1, 1957.

The CHAIRMAN. That is June 1, 1957, and then there are 8 or 9 months there that they are complaining about that it was not made retroactive?

Mr. KOPECKY. Yes, sir.

The CHAIRMAN. They state in there that that is unusual, and that heretofore, whenever the contract was renewed, it was always retroactive?

Mr. KOPECKY. Yes, sir.

The CHAIRMAN. I think that is a general practice, and I do not know.

Mr. KOPECKY. Then, No. 2 here:

This was a contract for a period of 3 years which is the longest contract entered into.

No. 3, the wage increases are nominal and in the pieceworkers' classification, they do not expect to obtain any wage increase during the entire 3-year life of the contract.

The CHAIRMAN. They were complaining also, about the life of the contract running for 3 years?

Mr. KOPECKY. Yes, sir.

The CHAIRMAN. In those other contracts that you examined in that area, the 17 or more, what is the length of those, generally?

Mr. KOPECKY. They would operate from 1 year to 2 years.

The CHAIRMAN. None of them for 3 years?

Mr. KOPECKY. No, sir.

The CHAIRMAN. All right, will you proceed.

Mr. KOPECKY. The fourth point:

There are no fringe-benefit provisions such as health and welfare funds or pension funds as exist elsewhere, and further the profit-sharing plan in existence at Zion Industries, is not an acceptable substitute for such fringe benefits.

It is signed by the following individuals.

The CHAIRMAN. All right. Do you have another one now, another similar petition or affidavit?

Mr. KOPECKY. Yes, sir. I do.

The CHAIRMAN. Let the record show the number of those signatures. I did not take time to count them, whatever it is. Let the record show it at this point.

(There are 26 signatures.)

Mr. KOPECKY. I have another document here from a Beatrice Bretano, whom I interviewed, and then on the basis of this which she had notarized, submitted to me, and then another typewritten document which she circulated among her fellow workers.

The CHAIRMAN. Does that state generally the same complaints as in the previous affidavit that you read?

Mr. KOPECKY. Generally, yes, sir.

The CHAIRMAN. Well, read the pertinent parts of that affidavit and state whom it is notarized before.

Mr. KOPECKY. The pertinent portions?

The CHAIRMAN. I am not talking about any other document, and I want the one signed by the affiants.

Mr. KOPECKY. By the entire group or just the one? There are two which I obtained personally from this party, and another one which she circulated herself.

The CHAIRMAN. The one she circulated herself, and what does it show? And did you write that or did she write it or did you dictate it?

Mr. KOPECKY. What I did, Mr. Chairman, was to dictate what I called a preamble of this document, which states that it is voluntary and that it may be used by the United States Senate Select Committee on Improper Activities in the Labor or Management Field as may be required. She provided the information which was felt by the rank and file to be unsatisfactory.

The CHAIRMAN. Whatever there is in there as substance matter, as to the complaint of the rank and file, you did not dictate?

Mr. KOPECKY. No, sir.

The CHAIRMAN. She supplied that herself?

Mr. KOPECKY. That is right.

The CHAIRMAN. What position do you say she holds? Is she a member of this union?

Mr. KOPECKY. She is a member of the union and a member of the bakery plant.

The CHAIRMAN. She works at the bakery plant?

Mr. KOPECKY. Yes, sir.

The CHAIRMAN. And she is a member of this union?

Mr. KOPECKY. Yes, sir.

The CHAIRMAN. And whatever statement in there in the nature of complaint about the contract is not your original suggestion, but what she supplied as a member of the union and a worker at the plant.

Mr. KOPECKY. That is right.

The CHAIRMAN. All right, state the substance of it.

Mr. KOPECKY. The substance is that these provisions are as follows:

Three-year contract, wage increase nominal, profitsharing plan not a substitute for health and welfare plan, contract forced on them.

The CHAIRMAN. What is that?

Mr. KOPECKY. "Contract forced on them."

The CHAIRMAN. It was forced on them?

Mr. KOPECKY. Yes, sir.

The CHAIRMAN. That may be made exhibit No. 84 for reference. How many people signed it? Can you hurriedly count them?

Mr. KOPECKY. Yes, sir. There were 35 who signed it and I note that this is notarized and subscribed and sworn before me the 29th day of June 1957, Siles J. Hendricks, notary public, Zion, Ill.

The CHAIRMAN. That may be made exhibit No. 84 for reference.

(The document referred to was marked "Exhibit No. 84" for reference and may be found in the files of the select committee.)

The CHAIRMAN. Now, you have an affidavit, a separate affidavit from the lady who circulated this affidavit or petition; is that correct?

Mr. KOPECKY. I do.

The CHAIRMAN. Before I ask you that, were you present when these people signed that affidavit?

Mr. KOPECKY. I was not.

The CHAIRMAN. Did you solicit them to sign it?

Mr. KOPECKY. I did not.

The CHAIRMAN. Did you meet any of them that you know of?

Mr. KOPECKY. Not that I know of.

The CHAIRMAN. All right. That affidavit, then, if you identify it as the affidavit that you procured from the lady——

Mr. KOPECKY. Beatrice Bertana.

The CHAIRMAN. May be made exhibit No. 85 for reference.

(The document referred to was marked "Exhibit No. 85" for reference and may be found in the files of the select committee.)

The CHAIRMAN. I failed to make this an exhibit a while ago. This is an affidavit. Did you procure this affidavit from Isabelle Nelson?

Mr. KOPECKY. I did.

The CHAIRMAN. That may be made exhibit No. 86 for reference.

(The document referred to was marked "Exhibit No. 86" for reference and may be found in the files of the select committee.)

The CHAIRMAN. Am I correct that the only two affidavits that you procured are from the ladies Nelson and Bertana? Those are the two affidavits that you obtained?

Mr. KOPECKY. Yes, sir.

The CHAIRMAN. The others were obtained by them?

Mr. KOPECKY. That is right.

The CHAIRMAN. Without your presence or without your soliciting them?

Mr. KOPECKY. That is right.

The CHAIRMAN. All right. Now, you can proceed. I am just trying to get this affidavit business straightened out.

Senator McNAMARA. Do you know what the terms of the contract were; how much wage increase was received at this time?

Mr. KOPECKY. There was a 3-year contract. Generally the provisions called for an 8-cent increase the first year and 5 cents for each of the succeeding 2 years in certain classifications.

It was not an across-the-board increase as the term is used.

Senator McNAMARA. You indicated that some 65 people were dissatisfied. That is out of how many employees?

Mr. KOPECKY. Approximately 125.

Senator McNAMARA. It was nearly half?

Mr. KOPECKY. I do not believe I indicated. I said that was the number of names that were obtained by these individuals who circulated the petition. In that regard, one of the parties who circulated it, indicated that if she had time, she could probably get all of them, but that was her estimate.

Senator McNAMARA. My records show up to now that about 30 people signed one, and about 35 signed the other.

Mr. KOPECKY. Yes, sir; out of a total of about 125.

Senator McNAMARA. And you express now that there was further dissatisfaction, you are sure, but you have the word of these two people.

Mr. KOPECKY. It is the word of these people.

Senator McNAMARA. But you have no evidence of it?

Mr. KOPECKY. No; I have not contacted them.

Senator McNAMARA. You indicated that the associated increase was 8 cents the first year and 13 cents the second year and 18 cents the third year. It was 8 cents the first year and 13 cents the second year and 18 cents the third year. Those were the wage terms of the contract.

Mr. KOPECKY. Over the 3-year period; yes.

Senator McNAMARA. There were no health and welfare funds and the thing was not retroactive; those were the general terms of the contract.

Mr. KOPECKY. That is what the people indicated to me that they were dissatisfied about.

Senator McNAMARA. You have no information of your own and you did not see a copy of the contract?

Mr. KOPECKY. Oh, yes. I have a copy of the contract.

Senator McNAMARA. You just said this was what they indicated to you, but by your own knowledge you know this to be a fact.

Mr. KOPECKY. I know it to be a fact that the wage increase was approximately 8 cents; yes, sir.

Senator McNAMARA. All right.

The CHAIRMAN. I have just one further question.

As I understand it, Klansek and Carbonera had previously testified here or had submitted affidavits regarding this dissatisfaction among the employees and feeling like they did not get fair treatment in this matter.

Mr. KOPECKY. Yes, sir.

The CHAIRMAN. So you were instructed by the Chief Counsel to go out there and check with the employees to see whether that was true or not.

Mr. KOPECKY. That is right.

The CHAIRMAN. That is the purpose of your going and contacting these folks and suggesting that if they wanted to establish that fact, to get a petition or an affidavit which turns out to be an affidavit from other employees.

Mr. KOPECKY. That is right.

I would like to add one point to that, that the local union officials were cognizant of that fact, too. That is to the extent that the president and the financial secretary-treasurer were aware of it and even went so far as to send a business agent or more than one business agent up there, that any of the rank and file desirous of signing any statement that they do it on their own personal volition, and that the union would stand behind them if any criticism were leveled at them by the management.

The CHAIRMAN. By management?

Mr. KOPECKY. Yes, sir.

Senator McNAMARA. I have one more question.

You indicated that these people who signed the petition or the affidavit indicated that this contract was forced upon them.

Mr. KOPECKY. Yes, sir.

Senator McNAMARA. And at the same time you indicate that the vote in accepting the contract at the meeting was 47 in favor and 37 opposed.

Mr. KOPECKY. No, sir, those are the statements prepared by them.

Senator McNAMARA. There is a conflict there, is there not? If it was forced on them, they would not vote 47 to 37 for its acceptance.

Mr. KOPECKY. If I could just add one point there——

Senator McNAMARA. I would be glad to have you add anything that would clarify that apparent conflict.

Mr. KOPECKY. It goes to the affidavit furnished by this Mrs. Nelson, who indicated that the candy-plant workers who are not as yet organized, that they had not been part of the union up until this particular time, and that the bakery workers had been, and there evidently were two groups, the candy-plant workers and the bakery-plant workers, and that the meeting at which this contract was voted upon was attended predominantly by the candy-plant workers.

I think she indicates to the extent of 75 percent and that the other 25 percent were the bakery workers. In other words, she was indicating that the bakery workers were in the minority.

Senator McNAMARA. What is the point in it, since they are all members of the same union and since they are all covered by the contract? What is the point of dividing them into two different groups?

They are all in the same contract at this time, are they not?

Mr. KOPECKY. They are all part of the same contract, but with different rates between them.

Senator McNAMARA. But members of the same union?

Mr. KOPECKY. Members of the same union.

Senator McNAMARA. All affected by the contract?

Mr. KOPECKY. Yes, sir.

Senator McNAMARA. I do not understand the point of dividing them into two different groups, and what do we gain by this?

Mr. KOPECKY. I cannot answer what was forced upon them.

The CHAIRMAN. One group works at the candy plant?

Mr. KOPECKY. That is right.

The CHAIRMAN. They had not been in the union before.

Mr. KOPECKY. That is right.

The CHAIRMAN. And the other group, apparently the group that is dissatisfied, as I understand it, are those who worked in the bakery plant.

Mr. KOPECKY. That is right.

The CHAIRMAN. They are the dissatisfied group and not the candy-plant workers' group. I think that clears it up.

Senator McNAMARA. It clears it up to a degree, but are we to assume now that all of the signers of these petitions are bakery workers and not candy workers?

Mr. KOPECKY. All of them are bakery workers.

Senator McNAMARA. Then this accounts for the division; the bakery workers are dissatisfied and the candy workers are not.

Mr. KOPECKY. I do not know what the attitude of the candy-plant worker is. This represents those of the bakery workers.

Senator McNAMARA. And this is the increase that the bakery workers got, the 8 cents and 13 cents and 18 cents, and it affects the bakery workers?

Mr. KOPECKY. Generally speaking, it also affects the candy-plant workers, who were also given generally an 8-cent raise the first year.

Senator McNAMARA. Then this is a peculiar circumstance, that the group divided into two different categories. Each got the same increase in wages, and one section is satisfied, and the other section is not satisfied.

Mr. KOPECKY. That is right.

Senator McNAMARA. How do you account for this, or do you, or is there any way?

Mr. KOPECKY. I would be merely theorizing in that regard.

Senator McNAMARA. What would your theory be?

Mr. KOPECKY. It could be that perhaps the candy-plant workers would not have gotten a raise if they had not been brought into the same contract which was signed for the bakery-plant workers.

Senator McNAMARA. They were satisfied because now they had some kind of representation?

Mr. KOPECKY. They had some representation, and they had a raise that perhaps they might not have gotten otherwise.

The CHAIRMAN. Are there any further questions?

All right; you may stand aside, and call your next witness.

Mr. HARRIS. If I may address the Chair for a moment.

I have several questions that I would like to submit to the committee to be put to Mr. Kopecky by way of cross-examination.

The CHAIRMAN. Let me see the questions.

Mr. HARRIS. In this connection, Mr. Chairman, there has been reference to this contract and to the meeting at which it was ratified by the employees at Zion.

So far, except for the affidavits, no one who was at that meeting has testified what took place at the meeting. There is in the room this morning, Mr. Chairman, a live witness who participated in the negotiation of the contract and who was present at the meeting where the contract was ratified by the employees.

His name is Oscar Carlson, and I believe he was interviewed by Mr. Kopecky as to what took place in the negotiation and at the meeting and I ask that the committee call him as a witness.

The CHAIRMAN. The committee will take that under advisement. At the proper time we will determine as to whether he will be called.

Mr. Kopecky, and gentlemen, I will follow the same procedure I did yesterday. As I read these questions, if I think they are proper, I will so state, and if I do not and any member of the committee thinks they are irrelevant or improper, you so state and then we will pass on it. We will proceed that way just to expedite it.

Mr. Kopecky, counsel for Mr. Cross has requested that you be asked the following questions:

Question No. 1: In evaluating various bakery contracts, have you taken into consideration that what an employer will give is determined largely by his capacity to withstand a strike and that what the employees will insist upon is determined largely by their ability to stand a strike?

Mr. KOPECKY. I believe in answer to that, if I may state, what I did was compare the contracts themselves as to the wage rates.

The CHAIRMAN. Do you have any information as to the ability of the employer to withstand a strike or the ability of the employees to stand a strike?

Mr. KOPECKY. No; I do not.

The CHAIRMAN. You had no information then with respect to that?

Mr. KOPECKY. The only information I have with respect to the employees is that the people I talked with indicated they were desirous of striking, but I do not have any information other than that.

The CHAIRMAN. I think there had been a strike voted out there.

Mr. KOPECKY. That is right.

The CHAIRMAN. That is the only information you have about it?

Mr. KOPECKY. Yes, sir.

The CHAIRMAN. All right.

Question No. 2: In your investigation at Zion, did you interview Mr. Oscar Carlson concerning the negotiations and the ratification of Zion Industries contract?

Mr. KOPECKY. Yes; I did.

The CHAIRMAN. Is there any comment you wish to make upon your interview of him?

Mr. KOPECKY. No.

The CHAIRMAN. Who is he?

Mr. KOPECKY. Mr. Carlson is a union representative. I believe his title is a business agent or business representative of the local union in Chicago.

The CHAIRMAN. By whom is he appointed?

Mr. KOPECKY. Here I would have to call on my memory. I believe he was voted upon by the executive board of the local union.

The CHAIRMAN. Was he a member of this local union, do you know?

Mr. KOPECKY. I do not know that.

The CHAIRMAN. You do not know?

Mr. KOPECKY. No.

The CHAIRMAN. All right. Question No. 3:

How many of the contracts that you examined in the Chicago area are biscuit, cracker, and candy contracts?

Mr. KOPECKY. In my discussions with the president and secretary-treasurer of the local union, I have that in the category of four contracts in addition to the Zion contract, that might be put in the general category of cookie contracts, according to the terms used by the local officials.

The CHAIRMAN. Is there any difference in a cookie and a cracker factory?

Mr. KOPECKY. No. The way it was explained to me, it was a general categorization.

Mr. HARRIS. I would like to suggest that Mr. Kopecky has not answered the question. The question is, "biscuit, cracker, and candy." That is a contract covering all of those.

The CHAIRMAN. Let me see your question. How many of the contracts that you examined in the Chicago area are biscuit, cracker, and candy contracts?

Mr. KOPECKY. I would say five, including the overall classification of biscuit, candy, and cracker.

The CHAIRMAN. That appears to answer it. I do not know about the accuracy of the answer, but I say it appears to answer it.

Did all 35 employees swear to the affidavit circulated by Bea Bertana?

Mr. KOPECKY. I was not present when it was circulated.

The CHAIRMAN. All you know is what the affidavit shows on its face?

Mr. KOPECKY. That is right.

The CHAIRMAN. You were not present when any of them swore to it?

Mr. KOPECKY. That is right. I do not have a copy of it in front of me at this time.

Senator McNAMARA. While there is a pause then, give us the name of one of those people who have the combination of cookie, candy, and cracker companies. You said you had five in your list there.

Mr. KOPECKY. Yes, sir.

Senator McNAMARA. Is there one of them that has a combination of cookie, cracker, and candy companies?

Mr. KOPECKY. No. These are separate.

Senator McNAMARA. You do not have any that have that combination?

Mr. KOPECKY. No, sir.

Senator McNAMARA. I think that was the intent of the question, although it was not well worded.

Mr. KOPECKY. I see.

Mr. HARRIS. I apologize to the committee for not wording my question properly.

Mr. KOPECKY. It was not indicated to me that there was.

The CHAIRMAN. You are talking about the five in the separate areas?

Mr. KOPECKY. Yes, sir.

The CHAIRMAN. Here is a question and I do not know whether I asked this: Did you interview any employees who expressed favorable reaction to the contract, and if so, did you take statements from them?

Mr. KOPECKY. I interviewed one employee who indicated that the contract was satisfactory.

The CHAIRMAN. Do you remember his name?

Mr. KOPECKY. I remember her name. It was Charlotte Richards.

The CHAIRMAN. Did you take any statement from her?

Mr. KOPECKY. I did not.

The CHAIRMAN. I believe I have covered the list of questions, if I did not get confused. Have I covered all of them?

Mr. HARRIS. You have covered my questions, Mr. Chairman, very well. I would like to reiterate that I would ask that Mr. Carlson be called.

The CHAIRMAN. The Chair has told you that he will take that up at the proper time.

Mr. HARRIS. May I address the Chair for one moment on this?

I hold in my hand two letters that I have received from Mr. Kennedy, and as you know, Mr. Chairman, Mr. Kennedy and I have had an exchange of correspondence which amounts to four letters now, and this might be a good time to read them into the record.

The CHAIRMAN. That is one of the purposes of this testimony.

Just a moment, gentlemen, there has been an exchange of letters from counsel representing Mr. Cross and also Mr. Kennedy, the chief

counsel of the committee, regarding the procurement of these affidavits.

The Chair, anticipating some question might be raised at this time about it, has had those letters mimeographed, the whole correspondence.

I see no need to read the letters into the record, but I would suggest to the committee that these be made available to the press, since Mr. Harris' first letter was made available to the press before it was answered and that this be made an exhibit for reference for the future.

If anybody wants to see it, they can see it and the press can have it now. I do not think it is necessary to clog up the record with all of the correspondence of the committee.

Is that a fair determination of the issue, gentlemen?

Senator CURTIS. It is all right with me.

Mr. HARRIS. Mr. Chairman, may I state that I did not submit my letter to the press before it was answered or at any time.

The CHAIRMAN. I did not say you did. I said the letter appeared in the press before we had time to answer it. I do not know who did it.

Mr. HARRIS. It was, I believe on the 13th or the 12th of the month, and my letter was mailed on the 6th of the month. But I am referring at the moment, specifically, Mr. Chairman, to Mr. Kennedy's replies to my letters.

In one of them he says—

If your client wishes to obtain voluntary statements from union employees expressing their satisfaction with the manner in which the Zion contract has been handled, the committee would be quite willing to accept them just as it was willing to accept voluntary statements expressing dissatisfaction.

In the second letter, which was written and I received yesterday, Mr. Kennedy states:

You state that Mr. Kopecky should have come up with any evidence favorable to Mr. Cross that we found to exist. I assure you had we found such evidence, we would introduce it at the hearing.

Mr. Chairman, I respectfully submit that Mr. Carlson is such a witness and was found by Mr. Kopecky, and he is here and ready and willing to testify.

The CHAIRMAN. All right. We will again tell you that at the proper time, that will be given consideration.

In the meantime, the Chair orders the mimeographed copies of the correspondence to which counsel refers, released to the press, and a copy of it made for the present, exhibit No. 87 for reference.

(The document referred to was marked "Exhibit No. 87" for reference and may be found in the files of the select committee.)

The CHAIRMAN. They are now an official document.

Are there any other questions?

Mr. KENNEDY. That is all.

The CHAIRMAN. Call the next witness.

Mr. KENNEDY. Mr. James Cross.

TESTIMONY OF JAMES C. CROSS, ACCOMPANIED BY HIS COUNSEL,
ABRAHAM J. HARRIS—Resumed

The CHAIRMAN. You have already been sworn, Mr. Cross.

Mr. Counsel, you may proceed.

Mr. CROSS. Yesterday, Mr. Cross, you testified regarding Mrs. Ehrlich's testimony, that you were taking a shower at 5:30 in the morning in the presence of your male secretary, is that right?

Mr. CROSS. No, sir.

Mr. KENNEDY. What did you testify to?

Mr. CROSS. As I understand Mrs. Ehrlich's testimony, it was a quarter to 6 in the morning, and I arose at 5:30 and I was showering at 5:45.

Mr. KENNEDY. So you were showering at 5:45, in the presence of your male secretary?

Mr. CROSS. I was in and out of the room arranging for a conference that morning at 7:30.

Mr. KENNEDY. Now, when you were out in San Francisco, when this fracas broke out, were you interviewed by the police out there?

You remember that, don't you?

Mr. CROSS. I am trying to interpret your question, of interviewing. I was processed through the police station.

Mr. KENNEDY. Did they ask you any questions?

Mr. CROSS. I refused to answer questions.

Mr. KENNEDY. You didn't answer any?

Mr. CROSS. Not at the police station. I answered at the grand jury.

Mr. KENNEDY. You didn't answer any questions of any of the police officers?

Mr. CROSS. No, sir, except my name, address, and my title.

Mr. KENNEDY. You didn't speak to Police Inspector O'Keefe, or Dyer?

Mr. CROSS. I talked to them, but I didn't give them any answer, and I gave them my name and address and title and what I was doing in San Francisco.

Mr. KENNEDY. You didn't tell them at all about what had happened and where you were at that time?

Mr. CROSS. No, sir.

Mr. KENNEDY. You did not?

Mr. CROSS. No, sir.

Mr. KENNEDY. You didn't say anything to them?

Mr. CROSS. No, sir. I was advised not to by lawyers.

Mr. KENNEDY. You didn't tell them that you had risen about 5:30 in the morning?

Mr. CROSS. I didn't tell them anything.

The CHAIRMAN. On yesterday the Chair indulged your counsel to ask on cross-examination at his request certain witnesses about statements they may have made, particularly the lady, whether she identified you, I believe, to the manager of the hotel. We asked her those questions because I thought it was proper on cross-examination. So you have testified, now, you gave no statement to the police officials. Did you give any to the press?

Mr. CROSS. No, sir.

The CHAIRMAN. I read here from the examiner, dated Monday October 22, 1956, a news statement following a quotation of what

Mrs. Ehrich said, and it says here under subheadline or subtitle "Shows bitterness." I read you the article from that point:

Cross was arrested at noon while having a leisurely lunch with other union officials in the garden court of the Sheraton-Palace Hotel. He denied the charges flatly, "it never happened." He told Police Inspectors Jack O'Keefe and George Dyer that he retired at 3 a. m. yesterday, and awakened at 7 a. m. He claimed he never saw the victims during the time the alleged assault and kidnaping took place. He also denied being with Stuart in the early morning. His bitterness toward Kane and Genuth was apparent, however. He refused to leave the dining room until they went to the other side of the room.

Is there any comment you want to make on that?

Mr. Cross. Well, except, Senator, that the counsel asked me if I gave any statements on an interview to the police. These men had not identified themselves at the time that I may or may not have made remarks, while I was dining. A mob of 20 to 25 people came into the room, photographers, newspaper people, and these two detectives who looked very efficient in doing their job, and did not identify themselves, and I was not interrogated by them, and they were in plain clothes.

The CHAIRMAN. Well, did they later identify themselves?

Mr. Cross. They later identified themselves, and I made no statements to them at that time.

The CHAIRMAN. All right. Those who you were talking to now, were their names O'Keefe and George Dyer?

Mr. Cross. I wouldn't honestly know, Senator, if that was them. It was a pretty exciting morning.

The CHAIRMAN. You do not remember?

Mr. Cross. No.

The CHAIRMAN. Well, did you make these statements that the paper reports? Did you make those statements there at the time, when you were arrested?

Mr. Cross. I am sure——

The CHAIRMAN. Or reasonably subsequent to that time?

Mr. Cross. I am sure, Senator, that I denied being there, because I wasn't there. Outside of that, I wouldn't recollect any statements to the newspapers or unidentified people in that room at that time.

The CHAIRMAN. Let me ask you, what are the facts now? Did you go to bed at 3 o'clock in the morning and get up at 7?

Mr. Cross. I went to my room at approximately 2:30 in the morning, and we had had a dinner that night, a semiformal dinner, in which I was dressed in the same suit that I have on now, and a white tie rather than a striped tie, and I retired at 2:30 in the morning, I got up at approximately 5:30, or 5:45.

The CHAIRMAN. Did you make these statements that are reported here, reputed that you have made, to the two men who came in there and arrested you? Or did you not make them?

Mr. Cross. I respectfully offer to your sir, I do not remember making any statements to those two officers.

The CHAIRMAN. You will not say positively that you did not make them?

Mr. Cross. I couldn't say yes or no.

The CHAIRMAN. You could not say yes or no?

Mr. Cross. No.

The CHAIRMAN. That is all.

Mr. KENNEDY. I would like to ask you about how you handle, going back, how you handle certain funds of the union. Now, for instance, if you received some funds for organizational purposes, and I am referring particularly to the Van de Kamp organizational expenses—you received some moneys in 1956 for that organizational drive, did you not?

Mr. CROSS. Yes, sir.

Mr. KENNEDY. How much money did you receive?

Mr. CROSS. \$7,500.

Mr. KENNEDY. What did you do with that? That was in the form of \$1,500 checks, was it not?

Mr. CROSS. I think most of them were in \$1,500 checks.

(At this point, Senator McClellan withdrew from the hearing room.)

Mr. KENNEDY. What did you do with that \$1,500 check when you received it?

Mr. CROSS. I deposited them in a bank account.

Mr. KENNEDY. In what bank account?

Mr. CROSS. The National Bank.

Mr. KENNEDY. Was that a special bank account set up for that purpose?

Mr. CROSS. Yes, sir.

Mr. KENNEDY. It was a special bank account set up for that purpose?

Mr. CROSS. Mainly for that item.

Mr. KENNEDY. You had none of your own personal money in it?

Mr. CROSS. Yes; I did.

Mr. KENNEDY. Was that your own bank account?

Mr. CROSS. No, sir. I opened it during the Van de Kamp account.

Mr. KENNEDY. And you put your own personal money in it at the same time?

Mr. CROSS. Yes, sir.

Mr. KENNEDY. Now, you deposited a \$1,500 check on May 18, 1956, did you not?

Mr. CROSS. I wouldn't recall, but I certainly wouldn't deny it.

Mr. KENNEDY. And another \$1,500 check on August 8, 1956, in this bank account that you had your own personal funds in?

Mr. CROSS. I would have to check the records.

Mr. HARRIS. Mr. Chairman, could we wait one moment until I find our records on that, so that Mr. Cross might be able to answer Mr. Kennedy's question? What were these dates, please?

Mr. KENNEDY. Excuse me. It was May 18, 1956. I have the checks here, if that will be of any help to you. In whose name was this bank account?

Mr. CROSS. In mine.

Mr. KENNEDY. In your own personal name?

Mr. CROSS. Yes, sir.

Mr. KENNEDY. And you took the money for the organizational drive out in California and deposited the money in your own personal bank account?

Mr. CROSS. Yes. This wasn't my personal bank account. I have a bank account in the National Savings and Trust.

Mr. KENNEDY. But this bank account was in your own name?

Mr. CROSS. This was established at the time of the Van de Kamp organization.

Mr. KENNEDY. And you also deposited your own money in this bank account?

Mr. CROSS. Yes, sir.

Mr. KENNEDY. It was a mingling of the two funds; is that right?

Mr. CROSS. Though a slight degree my personal money.

Senator GOLDWATER. Mr. Cross, how did you handle these sums on your income tax?

(At this point, Senator McClellan entered the hearing room.)

Senator GOLDWATER. If you put these into your personal account, they were personal income. Did you report them?

Mr. CROSS. I haven't reported my 1956 income, Senator.

Senator GOLDWATER. You have not reported your 1956 income?

Mr. CROSS. I had an extension of time from the Treasury Department, because all of my records are in the hands of the committee.

Senator GOLDWATER. Are you going to report this \$20,255 as income?

Mr. CROSS. I don't know, sir. I will have to consult with my auditors.

Senator GOLDWATER. Normally, you would expect to report it, though, would you not?

Mr. CROSS. I don't know. I don't think it is income, myself.

Senator GOLDWATER. You do not think it is?

Mr. CROSS. No, sir; it is organizational expenses, which are accounted for.

Senator GOLDWATER. You have travel advances, expense checks, and that is not income?

Mr. CROSS. No, sir.

Mr. KENNEDY. This is in addition to the travel advances and expense checks.

Senator GOLDWATER. I realize that, and I was just interested to find out how he intended to handle it, or did handle it, if he made an income-tax report in that year, or how he intends to do it.

Mr. CROSS. I haven't made it yet.

Senator GOLDWATER. \$20,255 of income; that is all I had.

The CHAIRMAN. The Chair presents to you a series of five photostatic copies of checks about which you have already been interrogated, and I ask you to examine them. They are dated May 18, 1956, and August 8, 1956, October 12, 1956, and December 11, 1956, and another one of December 11, 1956, each in the amount of \$1,500. I ask you to examine them and see if you identify those as photostatic copies of the checks about which you have been testifying.

Mr. CROSS. Senator McClellan, the check of May 18 has my endorsement on it, and so it would be mine, and it is my signature. The check of August 8 is also the same.

The CHAIRMAN. It is also what?

Mr. CROSS. It has my endorsement, and for \$1,500. On October 12, that is not signed by me and it has a notation on it "deposited in the bank."

The CHAIRMAN. Was it deposited in your account, the account you have been referring to where you had a mingling of funds?

Mr. CROSS. On this, I wouldn't know. I just want to explain that

there are three others, the same way. That is December 11, and December 11. They do not carry my endorsement.

The CHAIRMAN. I may advise you of this: I am advised by the staff that they have a photostatic copy of the bank account, and they have checked it, and those checks went into the account about which you have been testifying.

Mr. CROSS. I don't deny that. I am just saying that, to identify these, there is nowhere that my signature appears on them.

The CHAIRMAN. You say, then, you do not know whether they went in your bank account or not?

Mr. CROSS. Not these particular checks, because I have no way of identifying them, and, if so, I don't know right now how they got there.

The CHAIRMAN. All right. We will probably have the proof from the record here. Those may be made exhibits Nos. 88a, b, c, d, and e.

(Document referred to was marked "Exhibit 88, A, B, C, D, and E," for reference, and will be found in the appendix on pp. 3213-3217.)

Mr. KENNEDY. Is that the usual procedure that you follow, Mr. Cross, to put the organizational money in your own personal bank account?

Mr. CROSS. I think, Mr. Kennedy, that I have previously testified that this was the first occasion in which this was ever done, to my knowledge, of my activity as president, and it has never been done before and it hasn't been done since. I think I testified to that a month ago.

Mr. KENNEDY. Have you accounted for these funds to the union?

Mr. CROSS. Yes, sir.

Mr. KENNEDY. How did you spend the \$7,500?

Mr. CROSS. I am sure that your committee could help better than me, because they have from Guy King, who got most of this money, an itemized statement of about \$5,200 of this money.

Mr. KENNEDY. You took out of that bank account and deposited to Guy King \$4,000?

Mr. CROSS. Yes, sir, but since then there are others that have gone, since that time. There are \$5,200 accounted for, let us say it this way, by itemized records of the expenditures in Los Angeles.

Mr. KENNEDY. If it is \$5,200, our records show only \$4,000, which leaves \$3,500 unaccounted for. Yours show \$5,200, which leaves \$2,300 unaccounted for.

Mr. CROSS. \$2,300——

Mr. KENNEDY. Was not Van de Kamp, was not that organized back in March—or when was that organized?

Mr. CROSS. I don't know the exact date.

Mr. KENNEDY. Was it this year?

Mr. CROSS. It was this year that it was completed.

Mr. KENNEDY. We have interviewed Guy King, and gone through those records since it has been organized, and there were only \$4,000 accounted for at that time. What happened to the other \$3,500?

Mr. CROSS. Well, \$2,800 of it is still in cash, in my possession. If you will check the records, you will find that there is \$300, as I testified before, now working from memory, three hundred dollars-and-some bill that we paid to the Screen Actors Guild for organizational pamphlets that were distributed at this plant. There were 2 of the \$500

items, 1 given to Vice President Seaton and an organizational campaign in another city, and one of \$500 to Stuart for an organization campaign in another city. They were both later accounted for in the funds.

Mr. KENNEDY. Do you think this is a proper way of handling union funds, union members' dues?

Mr. CROSS. As I explained, Mr. Kennedy, before, this was probably a very unusual organization because of our failure to get it in the past, these plants.

Mr. KENNEDY. Why was it so unusual that it was necessary for you to put the money in your own bank account?

Mr. CROSS. Because, in order to be able to pull checks for emergency funds on this organization at any time while I was traveling, it was necessary to have a check bearing one signature. Our procedure, as at the present, would require me to make out a voucher, submit it to the secretary-treasurer and have him okay it and have it run by two signatures and then cashed and then forwarded to the party that I wanted to give it to.

Mr. KENNEDY. Why didn't you just deposit the money in Guy King's bank account, as was done for the \$4,000?

Mr. CROSS. I didn't deposit it in Guy King's account.

Mr. KENNEDY. Well, the Van de Kamp organization fund, was not there a special fund set up for that?

Mr. CROSS. That was on my account here in Washington.

Mr. KENNEDY. Wasn't there another bank account set up?

Mr. CROSS. Not to my knowledge.

Mr. KENNEDY. You just made these checks out to Guy King?

Mr. CROSS. Yes, sir, and forwarded them to him.

Mr. KENNEDY. And those were periodically forwarded to him?

Mr. CROSS. Yes, sir. Sometimes it was by Vice President Stuart, and sometimes by myself.

Mr. KENNEDY. Why was it necessary to have it in your own personal bank account, with your own money? Why couldn't you set up a special bank account?

Mr. CROSS. Because I was not—in discussing this with the general executive board, which I think is important, they approved the establishment of this sort of a fund, and they approved this method of distribution on this particular plant.

Mr. KENNEDY. And they understood that you were putting your own money in there?

Mr. CROSS. I am not sure whether they understood that or not.

Mr. KENNEDY. Did they understand also that you have not made an accounting of that money, on at least \$2,200 of that that is still in your possession?

Mr. CROSS. Right.

Mr. KENNEDY. They do understand that?

Mr. CROSS. Most of them do.

Mr. KENNEDY. Who decides on the salary of the general executive board and who makes that determination of how much they will get paid?

Mr. CROSS. The general executive board salaries had at one time been set by constitution, and they are now set by the general executive board themselves.

Mr. KENNEDY. So the general executive board sets their own salaries?

Mr. CROSS. Yes, sir.

Senator KENNEDY. May I ask a question there?

Are the members of the general executive board also international representatives?

Mr. CROSS. Not all of them, Senator Kennedy.

Senator KENNEDY. How many, would you say?

Mr. CROSS. At the present time, we have 17 members. Four of them are not international representatives.

Senator KENNEDY. There are 13 of the 17?

Mr. CROSS. Yes, sir.

Senator KENNEDY. Who sets the salaries of the international representatives?

Mr. CROSS. The president of the international union.

Senator KENNEDY. That is you?

Mr. CROSS. Yes, sir.

Senator KENNEDY. In other words, you set the salaries for 13 out of the 17 members of the executive board?

Mr. CROSS. As international representatives.

Senator KENNEDY. When do they get paid as members of the executive board?

Mr. CROSS. While in session.

Senator KENNEDY. In the convention?

Mr. CROSS. No; but during our special general executive board sessions, our regular sessions, and while on duty at the conventions.

Senator KENNEDY. Now, they meet once every 5 years at a convention. How often do they meet during the year?

Mr. CROSS. Regularly scheduled board sessions twice.

Senator KENNEDY. And they last how long?

Mr. CROSS. From between 7 and 10 days, normally.

Senator KENNEDY. In other words, I would say 80 percent of their annual salary of more than three-quarters of the executive board is set by you?

Mr. CROSS. Yes; it has the approval of the general executive board. In other words, they vote on their own salaries.

Senator KENNEDY. As international representatives, that salary is set by you?

Mr. CROSS. Always approved by the general executive board.

Senator KENNEDY. Now, Mr. Cross, in other words, it is set by you and approved by them?

Mr. CROSS. Yes.

Senator KENNEDY. Their own salaries?

Mr. CROSS. Yes, sir.

Senator KENNEDY. Do you consider that is a very satisfactory way of—does that not give you quite a bit of control over the executive board?

(The witness conferred with his counsel.)

Mr. CROSS. Well, sir, I have to make it a double answer here. This is the procedure that was done before I became president. Before, it was required to have the approval of the same general executive board, and now we still follow that custom.

Senator KENNEDY. Who appoints the international representatives?

Mr. Cross. I appoint the international representatives, and prior to November of 1956 they had to have the approval of the general executive board. They now don't, and I haven't appointed any since.

Senator KENNEDY. In other words, you appoint the international representatives, three-quarters of them are members of the executive board, and you are responsible to the executive board, and you set the salaries of the international representatives. Now, I do not consider that, and I am not saying that you originated it, but I do not consider that a very satisfactory check on your conduct of your office, particularly when the union only has a convention once every 5 years.

So that I think that we come back to this question of yesterday of these constitutions, and the rights of the members, and I do not think that that is a very satisfactory way. I do not think that you are responsible to anyone, because I think your control over the union is substantial when you have this power of appointing as international representatives the executive board, which is the group which you are supposed to be responsible to, during this intervening period between every 5 years.

In addition, from reading your constitution, I see where your salary is set after the convention adjourns every 5 years.

Mr. Cross. Yes.

Senator KENNEDY. I do not think that those provisions make for a very democratically run union, and I do not say you originated them, but they are still not very satisfactory.

Mr. Cross. In response to it, Senator Kennedy, those provisions were adopted in 99 percent of the cases by a majority or overwhelming vote in most of the cases, unanimous vote of the delegates representing the rank-and-file members.

Senator KENNEDY. The thing is we have a pretty clear example, and I do not think that the union has been handled very well, at least from the rather limited indications that I have seen, and I do not think that there is a very good check by the rank-and-file members in this international board, because I think that you have such extensive control over it through the salary setting as international representatives.

Mr. Cross. Well, again, I have to respond that it was put to the delegates of the convention and it was passed by an overwhelming vote at that time.

Senator KENNEDY. When would the executive board have a chance, or when would the members have an opportunity to vote on you and your conduct of office if after these hearings they felt it had not been satisfactory?

Mr. Cross. At a convention.

Senator KENNEDY. When is the convention?

Mr. Cross. In 1961 in Washington.

Senator KENNEDY. So the members will not have a chance to render an opinion of your conduct of office until 1961?

Mr. Cross. I think the representatives of the membership already have.

Senator KENNEDY. The international board, the executive board?

Mr. Cross. Yes, sir; who are elected by the members.

Senator KENNEDY. We have already given an indication as to why, in my opinion, they are not completely free agents. Their salaries are set by you.

Mr. CROSS. I don't think that, Senator, that the facts substantiate what you have said.

Senator KENNEDY. Why do they not?

Mr. CROSS. Because five of the men who are in a so-called opposition camp—salaries were set by the recommendation of the president, and the general executive board, and they were members. They are still on the payroll of this international union and still being paid.

Now, if I might, sir, there are four other members of the general executive board who receive no compensation from this international union as international representatives and work full time for local unions, and all four of those vice presidents have supported me in my position.

That makes a total of nine people who have expressed themselves without, I would say, any pressure from me.

Senator KENNEDY. Let us go back, again, to that. You say that the salaries of the international representatives must be approved by the executive board, but the appointments, as I understand it, to be an international representative, must be approved by the executive board; is that correct?

Mr. CROSS. It doesn't have to be now, since November, but, as a custom, if I would follow my past practice, I would always give it to the Board for their approval.

Senator KENNEDY. In other words, they cannot be appointed by the executive board, their appointment must be, or at least before November it had to be approved by the executive board, but the appointment must originate with you; is that correct?

Mr. CROSS. Yes; prior to 1956, that is so.

Senator KENNEDY. Well, now, what is now?

Mr. CROSS. Now, I would have, if I desired, the right to appoint without approval of the general executive board.

Senator KENNEDY. You appoint, and so the appointment comes without the approval of the board now. The setting of salaries, you originally set the salaries, and they must be approved, or is that discretionary?

Mr. CROSS. It is discretionary.

Senator KENNEDY. You do not have to submit it to the executive board?

Mr. CROSS. No.

Senator KENNEDY. So, in other words, the appointment of international representatives, which is a desirable position, I would think, as it does pay a salary, is set by you, without either the appointment of or salary having to be submitted to the executive board. It seems to me to give you excessive power. That is whether you use it rightly or wrongly. I just say looking at the organization of the union I do not think that that is a way a union should be set up. Whether the members did it or not, I do not think that it gives any control or check on your actions by the members of the union, particularly when there is a convention only once every 5 years. They are not going to meet until 1961, and the only group which can really check effectively on you is this executive board, which is substantially under your control due to this setup of the international representative and the salary. That is the way it looks to me, Mr. Cross.

Mr. CROSS. Well, there is only one part of your statement, Senator, that I think I might disagree with fairly. I am not so sure that the salaries paid to these international representatives is all that is desirable from a local union officer position. There are people who have testified here as local officers who get more money than most of our international representatives. So, I mean, in their local unions, where they come from, they can probably get the same salary.

Mr. HARRIS. Mr. Chairman, may I have the privilege of addressing the committee for one moment?

One of the most important matters that has come before this committee in connection with Mr. Cross has been the Zion Industries union contract. Mr. Cross regards this as a very serious matter, and Mr. Kennedy assured me the other day before the hearings were set that Mr. Cross would have an opportunity at this hearing to make any explanation regarding anything that came before the committee. I respectfully ask the committee to give Mr. Cross full opportunity to explain that and to explain it now. I have my eye on the clock, and I see what is happening to the time that is running.

The CHAIRMAN. Proceed with whatever you have. We will give him an opportunity to explain.

Mr. CROSS. I would like to have an opportunity to correct the record of yesterday, on one item, when you give me the opportunity.

The CHAIRMAN. You may correct it right now.

Mr. CROSS. On the record of yesterday in the testimony of John Klansek, he stated—that is the statement on page 1125 where he says “Well, there is nothing to be afraid of; my father has the mortgage on Jim Cross’ home.” This was in 1954. There was no mortgage or no loan on my home in 1954. The loan from Mr. Phillipsborn was obtained in February and March of 1955. I think the statement should show that there was none and regardless of what Klansek or Colonel Phillipsborn said.

The CHAIRMAN. You are not correcting the record, you are refuting another witness’ testimony, and now the witness himself might correct it if he found he was in error.

Mr. CROSS. May I say, sir, that the committee itself is aware of the date of that and could have corrected the witness yesterday. Mr. Kennedy has this record.

Mr. KENNEDY. Is that not an account of what Mr. Klansek said Mr. Phillipsborn said to him?

Mr. CROSS. Yes.

Mr. KENNEDY. Well, we can’t correct that.

Mr. CROSS. You can’t? You could explain, if you want to be fair to me, that I did not have a mortgage at that time, regardless of the testimony.

You have that record.

Mr. KENNEDY. Well, that is fine. Now, the second thing, had you received any moneys from the Phillipsborns directly or indirectly prior to 1954?

Mr. CROSS. No, sir.

Mr. KENNEDY. You had not?

Mr. CROSS. No, sir.

Mr. KENNEDY. You had not received a loan?

Mr. CROSS. Pardon me, did you say prior?

Mr. KENNEDY. Yes.

Mr. CROSS. I didn't receive any from those associated with the Zion Industries.

Mr. KENNEDY. That wasn't what I asked you. I asked you about Phillipsborn.

Mr. CROSS. I did not get any from Phillipsborn. I received a mortgage from the H. F. Phillipsborn & Co. mortgage house, in Chicago, Ill.

Mr. KENNEDY. How much was that for?

Mr. CROSS. \$16,000, FHA insured loan.

Mr. KENNEDY. Was that prior to 1954?

Mr. CROSS. It was in 1948, and it was not in existence in 1954.

Mr. KENNEDY. It was prior to 1954 and was it on a mortgage on a home?

Mr. CROSS. Yes.

Now, if I may, Senator McClellan, this says that Colonel Phillipsborn's father had a mortgage on my home in 1954, and that isn't true.

Senator GOLDWATER. May I ask you a question? You took this first mortgage in 1948 with the Phillipsborn Mortgage Co.?

Mr. CROSS. Yes, sir; H. F. Phillipsborn & Co., Chicago, Ill.

Senator GOLDWATER. Did your house have any mortgages on it in 1954?

Mr. CROSS. No, sir; they were cleared off.

Senator GOLDWATER. All cleared off?

Mr. CROSS. Yes, sir; I sold my home in there, in 1954, to purchase a home here in 1955.

Senator GOLDWATER. When did you sell it in 1954?

Mr. CROSS. In the fall.

Senator GOLDWATER. In the fall?

Mr. CROSS. Yes, sir.

Senator GOLDWATER. So if he said in 1954 there was a mortgage on it, he would have been correct?

Mr. CROSS. Senator Goldwater, I am disputing the point that there could have still been an FHA mortgage on the home, I am disputing the fact, that his father did not have a mortgage on my home.

Senator GOLDWATER. Some member of the Phillipsborn family could have been instrumental in having a mortgage on your home sometime during 1954.

Mr. CROSS. If it was still not liquidated, it had already been sold, and I already had my money from the people.

Senator GOLDWATER. In November of 1954?

Mr. CROSS. It may have been earlier.

Senator GOLDWATER. Let us say, if it had been the second of January, it still would have been in 1954, and so the statement that was made yesterday that there was a mortgage on your home in 1954 was correct.

Mr. CROSS. No, sir.

Senator GOLDWATER. You did not have any mortgage at all in 1954?

Mr. CROSS. That isn't what you said. The statement here by the witness is "my father" has the mortgage on the home, and his father didn't, and it is his father that is the important factor in this because H. F. Phillipsborn is not connected with the Zion Industries, but Martin Phillipsborn, Sr., in 1948 severed his connections, and this is

his father, and he was connected and I did not get the mortgage from the father.

Senator GOLDWATER. Was it his uncle?

Mr. CROSS. I don't even know.

Senator GOLDWATER. It seems to me that the testimony, or part of the testimony bore on the fact that his uncle was in that position. I started to ask a question about it at the time and that is why I recall it. But what I am trying to establish is this: When you deny that there was any mortgage on your home in 1954 you are not correct.

Mr. CROSS. I am not denying there was no mortgage. I am denying that the father had a mortgage on my home, as stated by the witness yesterday.

Senator GOLDWATER. But a firm by the name of Phillipsborn had either a mortgage or instrumental in the mortgage that existed up to the time of sale, whether that time might have been, in 1954; is that not correct?

Mr. CROSS. The only way I can answer it, Senator Goldwater, is that in 1948 I got a loan.

Senator GOLDWATER. You can answer that "Yes" or "No." You sold the house, and you got the money to pay off the mortgage.

Mr. CROSS. I can't answer it "Yes" or "No."

Senator GOLDWATER. I want to just merely establish that in 1954 there was a mortgage on your home, during some part of that year, and that it was either held by or an instrument in it was the Phillipsborn Co. Now, I do not say that that Phillipsborn was the father, and it could have been the uncle.

Mr. CROSS. You must differentiate between Phillipsborn Co. and—

Senator GOLDWATER. I am perfectly happy to differentiate, but the Phillipsborn name is in it and whether or not the mortgage company has any relationship businesswise with the Phillipsborn of the Zion Co., I have no way of knowing. But I do not want you to infer that in 1954 your house was mortgage free, and we should abandon the thought that the Phillipsborn family in any way were connected with you mortgagewise in that year.

Mr. CROSS. I respectfully submit, Senator Goldwater, that I did not say that.

Senator GOLDWATER. You inferred that.

Mr. CROSS. I did not. I infer, and I state, that the father did not hold a mortgage on my home in 1954.

Senator GOLDWATER. But there was a mortgage on your home in 1954, and the name of Phillipsborn enters into it. That might not be his father, but it is his uncle.

Mr. CROSS. I think we should add it as an FHA-insured loan and it was obtained in 1948.

Senator CURTIS. At that point, Mr. Chairman, may I ask:

Do you know if the H. F. Phillipsborn Co. continued on that mortgage all through the life of it, or whether or not they acted as a broker or an agent to someone to whom they might have sold the loan?

Mr. CROSS. I wouldn't know. All I know is I made my monthly payments to the H. F. Phillipsborn Co. in Chicago, Ill.

Senator CURTIS. How long have you known that company?

Mr. CROSS. Well, I don't know the company at all, except by name. I met one of their agents in their office on the day we drew up the contract for the house, and I met him again 30 days later when the FHA approval went through, and I have never seen him since.

Senator CURTIS. How did you happen to select them as the company from which to get the loan?

Mr. CROSS. I mentioned to Mr. Martin Phillipsborn, Sr., that I notice in the city of Chicago where I reside that H. F. Phillipsborn has a lot of signs up in which mortgages are made on homes and apartments, and I asked him if this was any relation to him and he said it was his brother. I said then I would like to obtain a mortgage from the firm, and I did.

Senator CURTIS. That conversation was with Phillipsborn, Sr., prior to any contact you ever had with the H. F. Phillipsborn Co.?

Mr. CROSS. That is correct.

Senator CURTIS. That is all.

The CHAIRMAN. Are there any further questions?

Mr. KENNEDY. I would just like to get the documents in the record on this bank account, if I could do that quickly with Mr. Mundie, so that we can refer to them in the report.

The CHAIRMAN. I want to give this witness a chance to say anything he wants to about the Zion contract before we let him off the stand.

Mr. Mundie, come around right quick, please.

TESTIMONY OF JAMES MUNDIE—Resumed

Mr. KENNEDY. You made an examination of that bank account, Mr Mundie?

Mr. MUNDIE. I have, Mr. Kennedy.

Mr. KENNEDY. Mr. Mundie, you have been previously sworn?

Mr. MUNDIE. Yes, sir.

Mr. KENNEDY. Did you make a check to find out what was deposited in that bank account?

Mr. MUNDIE. Yes, sir.

Mr. KENNEDY. And how it was withdrawn?

Mr. MUNDIE. Yes, sir.

Mr. KENNEDY. Do you have it broken down there?

Mr. MUNDIE. Yes, sir; I have it right in front of me on a worksheet.

Mr. KENNEDY. Was there a cash deposit? It was opened May 21, 1956?

Mr. MUNDIE. It was opened May 21, 1956, with a deposit of \$1,500.

Mr. KENNEDY. During this period of time, there were cash deposits of \$2,009.22.

Mr. MUNDIE. Yes, sir; I have a deposit ticket here dated February 25.

Mr. KENNEDY. I will summarize it, and then we will put the documents in and the international travel advances of \$7,865. Do you have the summary here?

Mr. MUNDIE. What was the last amount?

Mr. KENNEDY. \$7,865. Is that correct, the international travel advances?

Mr. MUNDIE. Just one moment, Mr. Kennedy, until I get these papers straightened out.

Mr. KENNEDY. If we want to go ahead with Mr. Cross, we can put those records in later.

The CHAIRMAN. We will return to Mr. Cross while he is working on the records over there, and let Mr. Cross make any statement now he wishes to make regarding the Zion contract.

**TESTIMONY OF JAMES G. CROSS, ACCOMPANIED BY COUNSEL,
ABRAHAM J. HARRIS—Resumed**

Mr. CROSS. Senator McClellan, and Mr. Kennedy, I appreciate this, because I think that this is one of the most important parts of the testimony that I have to give.

I have and will submit to this committee, if you will allow me, a research of the records of this international union breaking down the biscuit and cracker contracts throughout the Nation, and breaking down the bread and cake local unions, and submit them to this committee for whatever use they may want to make of them, but to get to the important points in what I say—

The CHAIRMAN. Do you have that breakdown or analysis here?

Mr. Cross. Yes, sir; and photostatic copies of the pertinent parts of the contracts.

The CHAIRMAN. That breakdown which the witness desires to submit may be made exhibit No. 89 for reference. It seems to be very voluminous.

(The documents referred to were marked "Exhibit No. 89" for reference and may be found in the files of the select committee.)

The CHAIRMAN. Will you proceed. I would like to ask you one question about it.

Does that have a separate breakdown or analysis of the contract, similar contracts in this Chicago area?

Mr. Cross. It will have the comparative contracts for the part of the Chicago contracts that we consider similar to the Zion Biscuit Co.

The CHAIRMAN. Do you have any separate analysis of that particular area, or will we have to go through this and find the ones?

Mr. Cross. There is one for the Bunte Candy Co. that is separate, which is owned by the Chase Co., which has about 300 employees, which is in direct competition with the Zion Candy. You will find that in there, and the three biscuit companies that make up the major proportion of the Chicago local unions' membership in biscuit and crackers, the major companies in the United States, and are not comparable to this company. That is why to get into the record, Senator McClellan, we have surveyed 22 cities in the United States including Fort Smith, Ark., with the Ward's Biscuit Co.

The CHAIRMAN. You went to a good town.

Mr. Cross. Yes, sir; and I like the people there. We can show by the photostatic copies of these biscuit contracts, and I think it must be understood in the light of Mr. Kopecky's testimony that it is very unfair to compare a bread and cake contract, and a journeyman small shop retail contract where you have to be an apprentice baker for years, and then a skilled journeyman baker against a biscuit and candy factory.

Now, the Zion industries and Zion Illinois Candy & Cracker is only 35 to 45 miles away from Milwaukee, Wis. In all fairness, if you will take the Robert Johnston Biscuit & Candy Co. in Milwaukee,

which is twice the size of Zion Biscuit & Cracker, you will find that their rates in all classifications are lower than Zion Biscuit Co. I think it is important to note that out of these 35 people that have signed this petition, if Mr. Kopecky will take the time to check, he will find that 28 of them are the piecework girls in this company who received an average of \$1.79 an hour last year, and who this year are receiving \$1.82 an hour average. He will find, also, the minimum rates for these girls in these 22 companies, St. Louis, Mo., Long Beach, Calif., and Atlanta, Ga., and Baltimore, Md., and Terre Haute, Ind., Dallas, Tex., Nashville, Memphis, Youngstown, Ohio, and I could name a whole lot of others but you have them in the record.

And, Senator McClellan, it is very important, the bread and cake industry with which Mr. Kopecky compared the contracts, that is why we asked the question "How many are similar?" He said five.

The only one that is actually in any way similar outside of the Bunte Candy Co. is the Mama Cookie Co., and I am sure, from my meeting with him, he is an intelligent person but he doesn't know the difference between a cookie and a cracker. There is a difference.

Mama's Cookies engaged in soft goods production, and soft cake as well as crackers and biscuits.

Now the bread and cake people in Chicago, they too—and this is interesting, Senator McClellan—among those contracts that Mr. Kopecky examined, he would have found that in the city of Chicago they don't even have the same scale for the same type of people in their own city. That is true throughout the Nation.

The CHAIRMAN. I have just one thing, if you want to be accurate. I think there were about 65 people and you referred to them as 35.

Mr. CROSS. I am sorry, Senator McClellan. What I meant is that 35 of those 65 would undoubtedly be the piecework girls.

The CHAIRMAN. Have you checked it? You say "undoubtedly." Are you testifying accurately?

Mr. CROSS. I can testify to the two people who put in affidavits, that they are pieceworkers.

The CHAIRMAN. Are you talking about the two women?

Mr. CROSS. Beatrice Bretana and Isabel Nelson.

The CHAIRMAN. They are pieceworkers, you mean? What you meant to say is that 35 out of those who signed the affidavit, you would say were pieceworkers?

Mr. CROSS. Twenty-eight of them. There are 28 pieceworkers in that plant.

The CHAIRMAN. Out of the 65?

Mr. CROSS. Twenty-eight out of the whole company, in the biscuit plant, are pieceworkers, and they are the only girls that didn't get an increase in their contract.

The CHAIRMAN. Let me see now. I don't know whether you are confused or you are confusing me. It is probably the latter.

As I understand it, there are about 65 plus the 2 girls, which would be 67 people here, who have in this instance signed a complaint or statement or affidavit that they are not satisfied, and state certain reasons why they were not and felt it was not a good contract.

Now, how many of those 67 people do you say are pieceworkers? I am trying to get the record straight.

Mr. Cross. I would say that there couldn't be any more than 28, because that is all there are in the plant.

The CHAIRMAN. There couldn't be any more than 28?

Mr. Cross. That is correct.

The CHAIRMAN. You do not know whether the 28 of them are?

Mr. Cross. No.

The CHAIRMAN. All right.

Mr. Cross. I do know the two who passed out the petition are pieceworkers.

The CHAIRMAN. According to the information that we have, there are a total of 20. According to the management out there, there is a total of 20 pieceworkers in the whole plant. Is that substantially correct?

Mr. Cross. Substantially. I said 28, and he says 20, and it goes up and down with the production.

The CHAIRMAN. You said it couldn't be more than 28.

Mr. Cross. That is right.

The CHAIRMAN. We don't know yet from your testimony how many of those pieceworkers are affiants on this affidavit?

Mr. Cross. No, sir; and I want to quote, if I may, directly, and I believe he won't get an opportunity to testify, but Mr. Carlson, Oscar Carlson who was interviewed by Mr. Kopecky, who is the business representative of this local union, who negotiated the contract, and who attended the membership meeting where the contract was ratified, and every member was invited to be there, and where it was ratified, to accept this contract.

Mr. Carlson told me that even Mr. Carbonara was satisfied with the wage agreement that was negotiated when he was in attendance at the negotiating committee meeting.

Mr. Alvino, a vice president in charge of the negotiations at that time, stated to me that Mr. Carbonara told him that he had negotiated all of the fringe benefits in the contract directly with Mr. Phillipsborn, and that all that was left to do was to negotiate the wages. That is what Mr. Carlson and Mr. Alvino did. They proposed it to a membership meeting that was called in the usual normal manner and everyone had a right to be there, and they discussed for approximately 2 hours the terms of the contract, and they voted 47 to 37 to accept it.

Now, when we say 65 people have signed out of the 125, I think that should show that covered by this contract are 250 people, and not 125 people, and that the 65 figure then becomes small. I think it would also be fair to say that we could have gotten the testimony or the affidavit from Mr. Carlson, because he is the one who negotiated and discussed the contract with the workers at that meeting.

The CHAIRMAN. Let me ask you a question or two about Mr. Carlson.

How long have you known him?

Mr. Cross. Since 1940 or early 1940's.

The CHAIRMAN. What position in the union did he hold at that time?

Mr. Cross. He was the president of the biscuit and cracker locals in Buffalo, N. Y.

The CHAIRMAN. Do you know of him being a business agent for bakers local No. 437 or 431 in Buffalo?

Mr. CROSS. That is the one I testified to.

The CHAIRMAN. That is the one you are talking about?

Mr. CROSS. Yes, sir.

The CHAIRMAN. When was he expelled from that organization for misuse of funds?

Mr. CROSS. He never was, sir.

The CHAIRMAN. He was not expelled from the international union for misuse of funds, union money, about 1951?

Mr. CROSS. No, sir. He was expelled for fostering an independent union, because of his dissatisfaction with the leadership and the charges of President Schnitzer at that time.

The CHAIRMAN. Were you on the executive board?

Mr. CROSS. I was secretary-treasurer of the organization, and at that time I was advising Oscar to continue his fight. He continued his fight, and in 1950 or 1953 or 1954, he was reinstated with full membership rights back to the day he joined the union, by unanimous vote of this international executive board.

The CHAIRMAN. Was he expelled by unanimous vote?

Mr. CROSS. I couldn't testify, sir.

The CHAIRMAN. Didn't you vote to expel him?

Mr. CROSS. No, sir. I was not a member of the general executive board on the interpretation of the president at that time, because I was secretary-treasurer.

The CHAIRMAN. He has been working for you since he was reinstated?

Mr. CROSS. No, sir.

The CHAIRMAN. He has been working for the union?

Mr. CROSS. He works for local No. 1, and he is not paid by the international.

The CHAIRMAN. I am just trying to get a little background here, and I haven't said I wouldn't call him. You assumed that a moment ago. He is not an employee of the union, and he doesn't work in the plant, does he?

Mr. CROSS. He works for the organization.

The CHAIRMAN. He works for the union?

Mr. CROSS. Yes, sir.

The CHAIRMAN. He is an official of the union?

Mr. CROSS. Of the local union.

The CHAIRMAN. And he negotiated the contract?

Mr. CROSS. Yes, sir.

The CHAIRMAN. Then apparently he was satisfied with it or he wouldn't have recommended it.

Mr. CROSS. I don't think he recommended it, sir. He presented it to the body and they accepted it.

The CHAIRMAN. He submitted it, and is it the usual procedure to recommend by the officers who negotiate a contract? When they feel they have done the best they could, and when they get ready to submit it, do they usually recommend its acceptance or recommend against or submit it without recommendation?

Mr. CROSS. Well, we would never accept it and recommend against it, but we have done both methods. We have recommended and we have gone in without recommendation.

The CHAIRMAN. The point I am making is that we were checking on the basis of testimony given by the other two witnesses before, to

get whether they were misrepresenting the facts to the committee that the rank-and-file members, or many of them, were dissatisfied with the contract and felt they hadn't gotten a good contract. Apparently, on the face of it, at least, some 65 or 67 have rather supported the testimony previously received. These are working people, and not officers in the union, and not organizers, but the people who actually are affected by the contract. Their living standards, and their working conditions, and the question of whether they have a pension plan or don't have affects the rank and file who are doing the work in those plants.

As I understand it, they have made these affidavits.

Now, you asked us to hear the man who negotiated contracts, and I am not objecting to hearing him, but I assume he would say he was satisfied with it.

Mr. CROSS. He would testify to the fact that the members at the meeting where they ratified the contract would testify that they were satisfied with it.

The CHAIRMAN. That would be true. Forty-seven of them apparently voted that way. Is that correct?

Mr. CROSS. Yes, sir; but since then he has been in the plant, and he has contacted the others that were not at the meeting, and he has also negotiated further with these people who had been complaining on some grievances, and he has straightened those up to the satisfaction of these people.

The CHAIRMAN. Do you take the position, let me ask you, and can you refute that those who signed this affidavit are not satisfied with it?

Mr. CROSS. I don't know who is on the petition.

The CHAIRMAN. You can see it as far as I am concerned. It is a public document.

Mr. CROSS. All I know is that the petition was suggested by Mr. Kopecky.

The CHAIRMAN. That is right, and I would have suggested it. It was to go out and check with them and let them give you an affidavit whether they think it is right or wrong. What is wrong with that?

Mr. CROSS. He didn't do that.

The CHAIRMAN. Apparently he talked to two and told them that if others felt like they did, to submit an affidavit, and that is his testimony.

Mr. CROSS. To whom?

The CHAIRMAN. That is Mr. Kopecky's testimony.

Mr. CROSS. Mr. Kopecky told Beatrice Brooks or Beatrice Bretano, and suggested to her the wording of the petition which is later being called an affidavit, and sent it around.

The CHAIRMAN. I understand he took her wording, and on the last one she dictated there what the complaints were. That is his testimony.

Mr. CROSS. We have testimony from her that he suggested the wording of the petition and the affidavit. However, Senator McClellan, I have been associated with this union in a full-time capacity for over 20 years, and I have negotiated many, many of the international union contracts, and I will tell you this, Senator, in all sincerity, that once you negotiate a contract, and I have negotiated

them as high as 40 cents an hour and 3 months later had dissatisfaction in the plant because we didn't get more for them.

The CHAIRMAN. That could be true, and I am not saying that they should be dissatisfied or satisfied. I don't know. But we had a witness come in here and testify about the circumstances, union officials, about the circumstances of the contract, and that there was dissatisfaction with it, and we simply made a check among the employees, the people working in the plant to ascertain whether those officials reported substantially the facts or had not.

Mr. CROSS. Senator, I don't want to be in the position——

The CHAIRMAN. I don't know now whether the majority favor it or do not favor it, but you concede that there is some and has been some dissatisfaction about it, will you not?

Mr. CROSS. In view of this, that is the only conceding I would do, because I have never investigated, but Senator, I would like to offer something else.

The CHAIRMAN. Then you can't testify whether there is or there isn't?

Mr. CROSS. I can testify to the terms of the contract.

The CHAIRMAN. Yes, the contract speaks for itself.

Mr. CROSS. I can testify it was Pete Carbonara, and I want to again state something, that Mr. Kennedy yesterday led Mr. Carbonara into his experience as a negotiator, and I say he wasn't. Mr. Carbonara has never headed a negotiating committee in his life. Mr. Carbonara has been a rank-and-file member of a negotiating committee. Mr. Carbonara negotiated away the fringe benefits in Zion by his own negotiations. He negotiated away the health and welfare and the pensions and we came in and negotiated the money. But I think that is important, that this scale of wages——

The CHAIRMAN. You said he negotiated away, and you came in and took charge, and did you approve what he had done?

Mr. CROSS. It was already agreed and I didn't do it. I had no knowledge of this contract until this last June 30.

The CHAIRMAN. I think that is true.

All right, is there anything further?

Mr. CROSS. I would like to state on this, on Klansek, that he stated that he had been a good friend of mine, and he never had any trouble.

The CHAIRMAN. Who is that?

Mr. CROSS. Mr. Klansek, the witness who testified and the papers carried he was intimidated. That is, about his testimony on suppression, or whatever the word was that was used. Mr. Klansek on three separate occasions has been reported by his superior officer as interfering with the negotiations in what was known as our former sixth district, and taking opposition to the chief negotiator in front of the employers committee that we were negotiating with.

Mr. Klansek last July 1956 in the city of Washington, complained to me because he felt that he wasn't being treated fairly in that area. This isn't something that has just been done because of the committee, and I am appreciative of the opportunity to get this explained.

The CHAIRMAN. You said that you had some other reasons for firing him?

Mr. CROSS. I did not fire him.

The CHAIRMAN. What is his status?

Mr. CROSS. His status is the same as every other international representative, Senator, and that is that he is not to take assignments to any local union from any person outside of the president of this international union.

The CHAIRMAN. Have you given him any assignments?

Mr. CROSS. Since that wire went out there have been only 5 working days elapsed that he has been available for work. If he is available today I have a lot of assignments I can give him.

The CHAIRMAN. I hope you will give them to him and let us get him started to work.

Mr. CROSS. I hope he will conduct himself as he should.

The CHAIRMAN. If he doesn't, take care of him.

Mr. CROSS. I certainly thank you.

The CHAIRMAN. Don't hesitate, if he comes up here and testifies, and you don't like it, to fire him and let us see how we operated.

Mr. CROSS. I wouldn't do that.

The CHAIRMAN. Let us proceed.

Mr. CROSS. Any more than I want to be fired.

Senator KENNEDY. Was he suspended because of his statement before the committee, his affidavit?

Mr. CROSS. Senator Kennedy, there is a misunderstanding. The man is not suspended. He thinks that he is. But he is on full pay.

Senator KENNEDY. Why did you send him the wire the day after his affidavit was presented to the committee?

Mr. CROSS. Because it was during these hearings that I had the other vice presidents in, and his superior vice president who reported to me of his conduct during these very important regional negotiations.

Senator KENNEDY. In other words, when did this conduct take place?

Mr. CROSS. Just 2 or 3 weeks prior to this particular hearing.

Senator KENNEDY. It just is a coincidence that it happened to come to your attention and you decided to take action the day after his affidavit was filed with the committee?

Mr. CROSS. Senator Kennedy, knowing your feelings for fairness, let me tell you this: I have here in my hand copies of the same wire that went out to other representatives, a second followup, and he has not had different treatment than anyone else.

Senator KENNEDY. The same wire went to all of the people holding similar positions to him, both in April and on June 21?

Mr. CROSS. Not all. Those who violated the first instructions received the second.

Senator KENNEDY. How many were there?

Mr. CROSS. There were four men.

Senator KENNEDY. Who violated the first instructions? Out of how many?

Mr. CROSS. Four out of thirty, I would presume.

Senator KENNEDY. On June 21, they all got this same wire?

Mr. CROSS. No. One got it on June 27.

Mr. KENNEDY. Do you have that wire?

Mr. CROSS. Yes, sir.

Senator KENNEDY. Could you read it?

Mr. CROSS. You have it.

Mr. KENNEDY. I understand your testimony to Senator Kennedy is that it is exactly the same wire, and that is not true.

Mr. CROSS. Not word for word, but it has exactly the same meaning.

Mr. KENNEDY. You read it.

Mr. CROSS (reading):

This is to advise you that all assignments with the exception of the assignment dated June 14, heretofore given you in writing or verbally, are hereby countermanded.

That is the same sentence.

Accordingly, you are again being directed to assist in the organizing campaign of the Capital Bakeries and the Tromman Bros. Bakery and instructed to report.

Senator KENNEDY. That is quite different. You are giving him an assignment.

The CHAIRMAN. You are canceling one and giving him another.

Mr. CROSS. I will give John Klansek an assignment to organize just as fast as it opens up in Illinois. This opened up on a joint campaign and we gave it to him. I certainly hope because of any testimony here, I am not that small that I would jeopardize my position and my integrity with taking it against that man. There are plenty of others, if I was concerned about that, I could go after. I am not concerned about John Klansek's testimony, because it isn't true, and it is just hearsay and just what he thinks.

Senator KENNEDY. All I know is that the day after his affidavit was presented to the committee, he was suspended and you haven't yet produced an identical wire sent to 3 other men, and you said there were 4, all removed for similar activities.

Now, I would like to get those 3 other wires identical to the 1 you sent this man. Do you have that?

Mr. CROSS. They are not identical.

Senator KENNEDY. In what way are they different?

Mr. CROSS. Assignments to different positions.

Senator KENNEDY. Was this man reassigned?

Mr. CROSS. He couldn't be, because 5 days after—

Senator KENNEDY. This is the only one you sent to these people? It was sent to this man, the only wire of that identical type, is that correct, where they were not reassigned?

Mr. CROSS. Yes, sir.

Senator KENNEDY. So that this was the only man that was not reassigned?

Mr. CROSS. Yes, sir.

Senator KENNEDY. This came the day after he came before the committee, in his affidavit.

Now, I have seen this letter this morning that you sent out to the Bakery and Confectionery Workers International Union of America about your appearance before this committee on July 1, 1957. Was this sent to every member of the union?

Mr. CROSS. I would have to check that. Is my name on it?

Senator KENNEDY. Do you recognize it? Aren't you familiar with this letter, on July 1, 1957?

Mr. CROSS. Yes; that could be mine.

Senator KENNEDY. Is it yours?

Mr. Cross. I can't see it from here, and I am reading to acknowledge it when I see it. I sent two letters to the membership.

Senator KENNEDY. Did you send that out to all of your members?

Mr. Cross. All of the members on the mailing list.

Senator KENNEDY. How many is that?

Mr. Cross. 122,000.

Senator KENNEDY. Paid by whom?

Mr. Cross. Paid by the organization, and approved by the general executive board.

Senator KENNEDY. Can I have it back?

The CHAIRMAN. Do you identify that as the letter being referred to, which you sent out?

Mr. Cross. Yes, sir.

The CHAIRMAN. You sent it to each one of them?

Mr. Cross. Yes.

The CHAIRMAN. It may be made exhibit 90 for reference.

(The document referred to was marked "Exhibit No. 90" for reference and will be found in the appendix on pp. 3218, 3219.)

Senator KENNEDY. Did you have a meeting of the executive board?

Mr. Cross. No. We have a setup in our constitution, Senator Kennedy, in which we may poll either by telephone or by wire or letter, and they were.

Senator KENNEDY. By what means did you poll each one of them?

Mr. Cross. This one I wouldn't be familiar with, because I don't do the actual work. It must be by letter and I am sure it was what we call a proposition which would be by letter.

Senator KENNEDY. Who would send that out?

Mr. Cross. Either Mr. Long, or Mr. Phil Espil, my assistant.

Senator KENNEDY. Do you have any answer from each one of them, any acknowledgment that they all approved this letter?

Mr. Cross. I know from what I was told by my secretary that the majority of the board voted to approve that letter.

Senator KENNEDY. You say that they were polled by letter; is that correct?

Mr. Cross. To the best of my understanding, and that would be the normal procedure.

Senator KENNEDY. You must have a copy of all of those letters and you must have the answers.

Mr. Cross. Yes.

Senator KENNEDY. Now, I would like to ask the chairman if those could be produced.

Mr. Cross. Certainly.

Senator KENNEDY. When?

Mr. Cross. As fast as we can get to the office.

Senator KENNEDY. This afternoon?

Mr. Cross. Surely.

Senator KENNEDY. You will give me a copy of the letter that your secretary sent out to every member of the executive board containing this letter and their acknowledgment?

Mr. Cross. I didn't say that it contained that letter; I said approval to send the letter.

Senator KENNEDY. Did you send a copy of the letter?

Mr. CROSS. It wasn't printed, and it couldn't be printed until I got approval.

Senator KENNEDY. Did you send a copy of what you were going to have printed in the letter?

Mr. CROSS. I couldn't have.

Senator KENNEDY. Why couldn't you?

Mr. CROSS. Because I only asked for the authority to send a letter to the membership explaining my position.

Senator KENNEDY. Now, Mr. Cross, that isn't the impression you gave about 3 minutes ago. You gave the impression that all of the members of the executive board approved this letter.

Mr. CROSS. No, sir; I did not.

Senator KENNEDY. You did not?

Mr. CROSS. No, sir. I said the majority of this general executive board approved it.

Senator KENNEDY. What I want then, and—

Mr. CROSS. And I am sure, Senator Kennedy, you will find that Curtis Sims, Dan Conway, and John DeConsigny and Archie Goode and Thomas Miller voted against it.

Senator KENNEDY. Now, we are getting a different impression than you gave. I want those records this afternoon, if that is agreeable with you.

Mr. CROSS. It is agreeable.

Senator KENNEDY. I would like to have the correspondence, the letter you wrote them, and the letters they wrote back.

Mr. CROSS. Whatever is available, sir, on this particular matter, you can have.

Senator KENNEDY. I assume it must be, because you would not have done it if you didn't get their approval.

Mr. CROSS. Their approval I would have if I got the majority.

Senator KENNEDY. I want just that record, because I would like to get a sample of how you operate in this union.

The CHAIRMAN. The witness will be directed to produce the records at his very earliest convenience and turn them over to the staff for examination. You understand that, Mr. Cross?

Mr. CROSS. Yes, sir.

The CHAIRMAN. You agree to comply?

Mr. CROSS. Yes, sir.

The CHAIRMAN. Thank you.

Senator KENNEDY. This letter costs some thousands of dollars to send out to all of the union members. As I understand, there is an opposition group within your union. Would they be permitted to use union funds to send out a similar letter?

Mr. CROSS. I understand they are using union funds.

Senator KENNEDY. To do what?

Mr. CROSS. To send out their correspondence.

Senator KENNEDY. Similar letters, and have they tried to get permission of the executive board?

Mr. CROSS. No, sir.

Senator KENNEDY. Then in what way do they get union funds?

Mr. CROSS. They are soliciting them from the local unions.

Senator KENNEDY. That is a little different from your spending union funds. These people are raising funds to send out their communications; is that correct?

Mr. CROSS. I presume, All I can say, Senator Kennedy, is that I do no spending of union funds without the approval of the majority of the general executive board, which is the governing body of this international union.

Senator KENNEDY. Their salaries are all set by you?

Mr. CROSS. No, sir.

Senator KENNEDY. Why not?

Mr. CROSS. Because four of them don't work for this international union.

Senator KENNEDY. What percentage of them have their salaries set by you?

Mr. CROSS. There will be nine others whose salaries are set by me.

Senator KENNEDY. Now, of this group within the union which is opposed to you, what percentage of those have their salaries set by you? There are five members of the executive board, which is the so-called integrity committee, opposed to you?

Mr. CROSS. Yes, sir; four of them would have their salaries set.

Senator KENNEDY. One does not?

Mr. CROSS. No.

Senator KENNEDY. Then of the majority that you have that are supporting you, what percentage of their salaries are set by you?

Mr. CROSS. Nine.

Senator KENNEDY. It says in this letter:

I have answered fully and frankly all questions from the McClellan committee about my actions as president of our union. I did not hide behind the fifth amendment or conceal the truth.

As expected, a hostile antilabor press twisted, distorted, and mangled my testimony. They were supported by a propaganda machine illegally financed by unaccounted union funds, run by a self-styled "integrity committee."

What is the propaganda machine illegally financed?

Mr. CROSS. There has been no accounting of the funds they are financing it with.

Senator KENNEDY. How are they raising the money?

Mr. CROSS. I don't know, except from local unions that send in statements to us showing that they are financing it.

Senator KENNEDY. These people are going to union members and trying to raise funds?

Mr. CROSS. Not to the union members; they are going to the local unions, plus the union members.

Senator KENNEDY. And asking for funds in order to oppose you?

Mr. CROSS. I suppose, I have never been at a meeting where they do it and I have never interfered with them.

Senator KENNEDY. You are stating it is illegally financed by unaccounted union funds.

Mr. CROSS. Because in the day book pages that are forwarded to this international union, there is a check issued to Dan Conway, from a local union, which is unaccounted for.

Senator KENNEDY. Are they compelled to give to this?

Mr. CROSS. I don't know.

Senator KENNEDY. Isn't it voluntary?

Mr. CROSS. I have never been to a meeting and asked them about it.

Senator CURTIS. In what way is that illegal?

Mr. CROSS. The illegality is that no funds of the local unions can be expended for any activity that is contrary to the program of the international union. This is the general position of the international union. This is a revolving rebel group in this international union.

Senator KENNEDY. Opposed to your management of the union, and we have already indicated in the record how it is possible for you to control the union. Therefore, I don't know anything about this group but they are attempting to oppose you, and they are raising money from the locals, and you say that is illegally financed by unaccounted-for union funds.

Mr. CROSS. Yes, sir; according to the constitution, I say it is.

Senator KENNEDY (continuing):

This group still accepts union pay while neglecting their union duties. If they had more "integrity" and less hunger for power they would refuse the union pay which is neither earned nor deserved.

This is a revolt of the members of the union, your union, against the excessive powers which you hold, which you consider illegally financed. Then you state about them that they accept union pay while neglecting their union duties, and if they had more integrity and less hunger for power they would refuse the union pay which is neither earned nor deserved.

For months these self-righteous and hypocritical enemies of the union have promised that the McClellan committee hearing would destroy and force my resignation or removal. They hoped that what could not honestly be accomplished by them with the rank and file membership would be achieved through outside forces, acting with questionable motives.

What did you mean by that? What are the questionable motives?

Mr. CROSS. I think it is clear that in the light of Mr. Kopecky's soliciting members who are dissatisfied with contracts, and not bringing in those who are satisfied, it shows that he is unfair.

Mr. KENNEDY. Had you known that on July 1, when you sent that letter out?

Mr. CROSS. I had known that he interviewed other people that he didn't bring in, that expressed favored words toward me.

Mr. KENNEDY. That were material to our investigation?

Mr. CROSS. In my mind it was material.

Mr. KENNEDY. Who was that?

(The witness conferred with his counsel.)

Mr. CROSS. Members of this general executive board, for one, four of them even gave him affidavits and he questioned them.

Mr. KENNEDY. It was on this point and the question of statements?

Mr. CROSS. I don't know what point it was on but he never brought them here, and I am sure they are there.

Mr. KENNEDY. Was it on the question they had personal knowledge on the misuse of union funds?

Mr. CROSS. I suppose.

Mr. KENNEDY. Did they know about Kay Lower?

Mr. CROSS. They knew at the hearing.

Mr. KENNEDY. Did they know about Zion?

Mr. CROSS. Yes, sir.

Mr. KENNEDY. They all had personal knowledge of this?

Mr. CROSS. They were told by me.

Senator KENNEDY. I am reading the kind of report you give to your members.

Mr. CROSS. Senator, and Mr. Kennedy, I submit to you, if I tell a man what I have done to his face, isn't that his personal knowledge?

Senator KENNEDY. I don't consider this an accurate report and I am going to read to you why I don't.

Mr. CROSS. If they don't I suggest that the membership protest against it. I haven't had one single membership complaint.

Senator KENNEDY. Would you call a special convention of your union members to consider this? They are not going to have an opportunity until 1961 and I don't consider that the executive board is an independent agency, and I feel it is excessively under your control. Would you call a convention of the union members to go through all of these hearings?

Mr. CROSS. Senator Kennedy, if the membership in our international union in sufficient numbers were desirous of the convention, it would be called.

Senator KENNEDY. What is sufficient numbers?

Mr. CROSS. I submit to you that there is not and ever has been a request for a convention in this international union.

Senator KENNEDY. Doesn't the constitution permit you to call a meeting?

Mr. CROSS. Yes, sir.

Senator KENNEDY. You don't feel that——

Mr. CROSS. I am sorry, it doesn't. It permits me to recommend to the general executive board.

Senator KENNEDY. In other words, do you feel that in view of the controversy that has come up, and the matters which have been disclosed by this committee, it would be well to submit yourself to a meeting of the membership of the union instead of attempting to carry it on through this sort of letter.

Mr. CROSS. No, sir. The results would be the same with an expenditure of several hundred thousands of dollars and the result would be exactly the same as the general executive board by its majority vote.

Senator KENNEDY. Let us go on with this:

In spite of irresponsible newspaper predictions, the actual charges of misconduct leveled against me as your president were inconsequential.

Mr. CROSS. Yes, sir.

Senator KENNEDY. Is that your judgment?

Mr. CROSS. My judgment is that there has been no proof of what has been said to this committee. The only proof is the admissions that I have made. The admissions alone would I freely make to my general executive board, and the admissions to this particular committee that I did use an organizer in the Los Angeles Van de Camp case. Outside of that, there has been no proof of any other wrongdoing in this organization.

Senator KENNEDY. You feel the matters which have been brought before this committee are inconsequential?

Mr. CROSS. I believe that the results of what was exposed by this committee so-called is inconsequential.

The CHAIRMAN. Were you questioning motives of this committee in that letter?

Mr. CROSS. No, sir; I was questioning the fairness of the committee in its examination.

The CHAIRMAN. You take the position now that the committee has been unfair to you?

Mr. CROSS. Senator McClellan, I think the letter is very clear, and the letters that we sent to Counsel Kennedy are very clear that you as chairman have always been fair on my particular part.

The CHAIRMAN. The Chair thanks you.

Now I have one other point: A moment ago when we referred to this motive here, you said that you thought Mr. Kopecky had been unfair; is that correct?

Mr. CROSS. Yes, sir.

The CHAIRMAN. In that when he went out to find out whether there were those who were dissatisfied that he talked to one girl and to your Mr. Carlson, who said they were satisfied, and that he didn't take statements from them.

Mr. CROSS. Yes, sir.

The CHAIRMAN. That is what you say you think is unfair?

Mr. CROSS. Yes, sir. I think it is very unbelievable that a man investigating for a committee to get the facts wouldn't bring in the facts of the meeting where it was accepted but would go out and actually stir up members to revolt against a contract.

The CHAIRMAN. He didn't do that, and there is no evidence that he did that, and that statement is not based on the proof before this committee.

Mr. CROSS. He admits that he talked to the girl.

The CHAIRMAN. He had a right to dictate a statement after they related to him what their objections were. He wouldn't be a good investigator if he didn't. If they complain and say, "This is what we complain about," and he wants to get the facts he would do it by dictating what they said just like we here in the committee take the statements from them of what they say. There is nothing wrong in that.

Mr. CROSS. Part of it I can agree with.

The CHAIRMAN. Any investigator that is worth his salt, when he found a statement being made to him, if he is out to get the facts, would dictate that statement and let them read it and sign it.

In this instance, they signed this before an officer as an affidavit, although he wasn't there when they signed it, he wasn't there when they read it, and it was simply another one who shared those views that took the document around and got it signed.

The Chair holds there is no unfairness about it, and it is proper procedure. I trust the members of the committee agree with me.

Senator KENNEDY. Surely.

Mr. HARRIS. In view of this last exchange, which isn't directed strictly to a question of fact, I wonder if I might interject this one remark. To me, sir, it is unbelievable that in a plant where there are 200 or more employees, an investigator goes out and he digs up 3 employees who are dissatisfied with the contract, and they go out and they find 60 or so, or whatever the number is, people to sign affidavits—to me, sir, it is unbelievable that he would not have just accidentally stumbled over somebody who felt that the contract was fair.

The CHAIRMAN. He was not there to get those who favored the contract; he was sent out there to find out if there was corroboration of

sworn testimony here that had been given that there were a number who were dissatisfied.

Mr. HARRIS. Mr. Kennedy, the chief counsel, in his letter to me, says: "In an investigation such as this, I am sure you realize it is essential facts be put in."

The CHAIRMAN. He reported back to us the two that he found, that you speak of.

Mr. HARRIS. That is the point of my letter.

The CHAIRMAN. The Chair is not going to argue this point further. I have stated my position, and you may state yours to the press. I take the position that Mr. Kopecky has done nothing unfair, and he has carried out instructions, and I approve wholeheartedly of the instructions given him.

Proceed.

Mr. CROSS. May I ask if I bring in through an investigator a petition with respect to the names on them—

The CHAIRMAN. If you want to send out there and get a petition with the rest of the names, bring it in here and it will be made an exhibit just like the other.

Mr. CROSS. And will it be made public? That is important because you made this one public.

The CHAIRMAN. This one hasn't been made public as to the names.

Mr. CROSS. I don't mean the names but the fact that 100 or 200 people will sign a petition that they are in favor of this contract.

The CHAIRMAN. The Chair has not refused you any evidence you have wanted to submit, has it?

Mr. CROSS. No, sir.

The CHAIRMAN. All right. Can't you be governed and can't you judge the future by the past?

Mr. CROSS. Yes, sir.

The CHAIRMAN. All right.

Mr. CROSS. I hoped you would instruct Mr. Kopecky to do it.

The CHAIRMAN. I am not going to send him back out there. These 65 names were obtained by union members who were employees of that plant.

Senator KENNEDY (continuing):

I was charged with unorthodox methods of organizing Van de Kamp and Golden Crust by employing a special woman organizer. Our union is interested, not in the scandal headlines, but in the fact that these major antiunion employers were finally brought into line after years of costly failure.

There was no evidence that this woman, what you call a special woman organizer, was instrumental in bringing what you call "major antiunion employers into line after years of costly failure."

There is no evidence in the record she was instrumental.

Mr. CROSS. I testified to that fact.

Senator KENNEDY. I am just stating in my opinion there is no evidence in the record that would support that statement that she was instrumental, or the inference that she was instrumental.

Mr. CROSS. No one has greater respect for your judgment, but I will say again I represent 160,000 members and I have received 2 letters in protest against this out of the 160,000 members.

Senator KENNEDY. I am just giving you my opinion.

Mr. CROSS. I think that is important, but I don't represent your thinking. I represent the thinking of the workers that have elected me president.

Senator KENNEDY. I think the workers, if this is the type of information that you are giving them, are not going to be equipped to make a judgment on what was brought out in this committee. I think this letter is filled with false inferences, and I am going to go on reading them. You give two sentences in a row, one about a special woman organizer, and then your next sentence is that these antiunion employees were brought into line, which suggests that this woman had something to do with it, and the point I am trying to make, Mr. Cross, is that there was nothing brought out in this committee which would indicate that this woman had anything to do with it.

You stated, "I was falsely charged with making personal loans from an employer in exchange for favors."

Well, now, there wasn't any doubt that you did take the loans from the employers, and the acceptance of loans like that is against the ethical code of the AFL-CIO; is that not correct?

Mr. CROSS. Senator Kennedy, I respectfully submit that he was not an employer. I have maintained that and I say that he has sold his 73 percent that he owned of all of the common stock, and owns none whatsoever.

Until this hearing, I was not even aware of him holding what were sales contracts from New York University.

Senator KENNEDY. Did you confer with him at all about this contract?

Mr. CROSS. No, sir.

Senator KENNEDY. You didn't have any meetings with him?

Mr. CROSS. No, sir.

Senator KENNEDY. Or did Mr. Stuart?

Mr. CROSS. I had a meeting with Mr. Philipsborn, Sr., and Mr. Stuart, and myself, on the organization of the candy plant and not on this particular negotiation.

Mr. KENNEDY. Now, Mr. Cross, that is not right.

Mr. CROSS. That is your opinion.

Mr. KENNEDY. I will give you the letter that Mr. Philipsborn wrote.

Mr. CROSS. To whom?

Mr. KENNEDY. Addressed to Mr. George Stuart, and it refers to a meeting that Mr. Philipsborn had with Mr. George Stuart and Mr. Cross, and it says: "Dear Sir," and it is dated November 9:

At a meeting held this 9th day of November at my apartment in Washington, D. C., attended by Mr. James Cross and you, the following was agreed upon:

The contract that expired October 1, 1956, and all of its conditions, has been renewed by you until December 31, 1956.

That referred to the bakery, did it not?

Mr. CROSS. I say again to you, sir—

Mr. KENNEDY. Well, answer the question.

Mr. CROSS. I am going to. I answered the question in my testimony previously that I was at the meeting and discussed the organization of the candy plant and left, and Mr. Stuart made the rest of arrangements with Mr. Philipsborn, which is outlined in this.

Mr. KENNEDY. Unfortunately, Mr. George Stuart comes before the committee and takes the fifth amendment, and Mr. Philipsborn says

he can't come because he is in traction, but the letter here, the documentaton, says you were there, and written at the time, and it says, "This is what was agreed upon," and it says, "The contract that expired October 1, 1956, and all of its conditions, has been renewed by you until December 31, 1956," and the second and the third paragraphs go on and talk about the bakery and the candy plant.

There is no question you were discussing the bakery.

Mr. Cross. I say there is a question.

Mr. KENNEDY. There is documentation that you were.

Mr. Cross. It does not say that I was there on the discussion of that. I was not. I have not negotiated the Zion contract since 1948.

Mr. KENNEDY. It says, "At a meeting held this 9th day of November at my apartment in Washington, D. C., attended by Mr. James Cross," and you are Mr. James Cross, "the following was agreed upon."

The CHAIRMAN. Proceed.

Senator KENNEDY (reading) :

The claim was that Zion Industries, Inc., employer of about 200 biscuit and candy workers, and owned by New York University, made and gained from these loans at a price to the membership. My borrowings, all fully repaid with interest, were openly and honestly made. Despite intense searching by the McClellan investigators, they could not demonstrate any connection between these personal loans and the company.

Mr. Cross. That is right.

Senator KENNEDY. I think this memorandum indicates that there was a connection.

Mr. Cross. Senator Kennedy, and I don't want to belabor the point, I think the importance of this is the fact, and I am sure that the testimony will bear it out in previous hearings here, that my interest with the Zion and with Martin Philipsborn, Sr., at that time was the question of removing his opposition through his influence on his son to the organization of the candy plant, and not to the terms and conditions of the biscuit plant which I did not negotiate.

I think the thing bears out that I did not accept a loan from an employer.

Now, if the loan is to be established and to be stated that because this man is in retirement and because his son is still managing director of the company, and that New York University owns it, I think you must then prove beyond a doubt that I gave him some favor in return for those loans, and you haven't proven it with the contracts that I have.

Mr. KENNEDY. You are still not telling the truth, Mr. Cross. You say that you went to see Mr. Philipsborn about getting his permission to organize the candy plant.

No. 1, that would indicate that he had some jurisdiction and direction of the candy plant.

No. 2, he furnished in an affidavit appearing on page 1045, and he states in paragraph 4, that some time during the year 1949, "I promised Mr. James Cross that he could organize the candy plant."

Well, you were promised in 1949 that you could organize the plant and there was no need to meet with him in November of 1956 to do so, and to get his permission. You had been promised 6 years before.

Mr. HARRIS. I do not object to counsel arguing with the witness, but I would appreciate it if he would not characterize the witness'

testimony. I take it that it is for the committee to decide at the end of the hearings, whether or not Mr. Cross is telling the truth, sir.

The CHAIRMAN. The counsel should not say that the witness is not telling the truth. He should point out that the record reflects he is not telling the truth.

Mr. HARRIS. I can point out what the record reflects, and Mr. Cross can explain that.

The CHAIRMAN. Proceed.

Senator KENNEDY. You say this is owned by New York University. Does Mr. Philipsborn receive compensation from it?

Mr. CROSS. Again, I didn't know that until this investigation, that he even carried a contract with the company.

Senator KENNEDY. What is his arrangement?

Mr. KENNEDY. He received \$150,000 or \$175,000 each year in expenses, or \$130,000 expenses in the payment on bonds.

Senator KENNEDY. The inference one gains, Mr. Cross, is that you say:

The claim was that Zion Industries, Inc., an employer of about 200 biscuit and candy workers, and owned by New York University, made and gained from those loans at a price to the membership.

There is nothing about the fact that the Philipsborn family, one member of which gave you a personal loan on your house, and another member of that family has a very heavy financial stake in the company in spite of the fact it is owned by New York University.

So therefore, in my opinion this inference, "owned by New York University," as if there was no connection between any of the Philipsborns and the company, is, I would say, a misleading statement. He gets a salary of \$72,000 each year, and so while it may be owned by New York University, he has a heavy financial stake in it.

Mr. CROSS. His affidavit will also show, Senator Kennedy, that he was in Zion once in the last year.

Senator KENNEDY. He gets \$72,000 for it?

Mr. CROSS. When he sold this company to New York University, he evidently sold it for less money than it was worth and took a yearly contract based upon salary. I am not a banker, and I am not a tax expert, but I am sure that must be the arrangement.

Mr. KENNEDY. Once again, our investigation shows that Mr. Philipsborn, Sr., was in Zion, Ill., from November 2 through November 7, which was 2 days prior to having the meeting with Mr. Cross and Mr. Stuart here in Washington, D. C., so when Mr. Cross says he was only there once during the year, if he was there once during the year it was for 5 or 6 days when these negotiations were taking place, and just prior to having the meeting with Mr. Cross, the secret meeting with Mr. Cross here in Washington, D. C.

Senator KENNEDY. You say—

Despite intense searching by the McClellan investigators, they could not demonstrate any connection between these personal loans and the company.

Mr. CROSS. Yes. As to the loans, if I have to take what you evidently are assuming, that he is an active head of the company, and he denies it and I don't think he is, the moneys came from his personal moneys. They were a transaction that he gave us a check, and it was put in the bank, and we issued a check and we signed a note for in-

terest, and I am sure what was being implied in this letter is that with the investigatory powers of this committee, with me dealing with over 20,000 employers in this country, some of whose companies have sales of \$370 million a year, I certainly, if I was inclined to do what is being inferred by some of this committee, could go to a better place and get more money.

Senator KENNEDY. But you went to some place and you got quite a lot of money.

Mr. CROSS. I did not, sir. I borrowed money and I repaid it with interest. It was on a personal basis connected with no company nor out of it.

Senator KENNEDY. It was a \$96,000 loan, which is a substantial amount.

Mr. CROSS. That also has been wrong here.

Senator KENNEDY. What was it?

Mr. CROSS. Before the \$40,000 loan was ever made, the other was paid off.

Senator KENNEDY. Wasn't it a total of \$96,000 worth of loans?

Mr. CROSS. Let us do it the way the committee has been attempting to do it. There was a \$16,000 FHA mortgage in 1948 from the H. F. Philipsborn Mortgage Co., and fifty-seven-thousand-some-odd dollars in 1955 paid back in 1955, and a 1956 loan of \$40,000 paid back.

Senator KENNEDY. That is \$110,000, and I was wrong when I said \$90,000. It was \$110,000.

Mr. CROSS. And not all from this gentleman and none from the company.

Senator KENNEDY. It says—

They could not demonstrate any connection between these personal loans and the company. Nor could they show any benefit to Zion Industries, Inc.

I think there is substantial testimony, with which you disagree, which shows or indicates that there might have been substantial benefits to the company.

Mr. CROSS. Senator Kennedy, may I respectfully ask you to examine these contracts, and this data that I have given to you?

Senator KENNEDY. I have listened to one of the staff investigators, and he made a comparison.

Mr. CROSS. Well, now, Senator, you are fair, and he compared the bread and cake contracts and the National Biscuit Co. contract, and the Sawyer United Biscuit Co. contract.

The only one that I have heard him testify to that was in any way close to the type of plant of Zion was the Mama Cookie. Let us ask him about the Bunte candy contract and he will find that it was much lower than the Zion contract.

Senator KENNEDY. Then we have the testimony of one international organizer, and then the union official.

Mr. KENNEDY. That there was pressure from above, from the international, in 1954, and again in 1956, on this contract, and that the people in there were dissatisfied, and the electrical workers charged it was a company-run union in 1954.

Senator KENNEDY. Are they implying there was a pressure to settle for less than the men who were conducting the negotiation on the scene felt should be settled for?

Mr. KENNEDY. That is right.

Senator KENNEDY (reading):

Our union deals with thousands of employers. If I were the kind of union leader who sold out his membership for personal gain, the McClellan committee would certainly have turned up some examples. But this charge, like others against me, fell flat when exposed to the truth. Our union is not one which encourages or tolerates such wrongdoing. And our members are realistic enough not to judge its leaders by the self-seeking, unscrupulous and baseless attacks which have been used to smear me and, through me, our organization.

I was again falsely charged with participating in an alleged armed assault and kidnapping at the San Francisco convention. This same plot against me was exposed by the grand jury as "rampant with perjury."

Did the grand jury state that those who testified against you were the ones who committed perjury, or did they make a judgment as to whether you or the people who made the charges committed the perjury?

Mr. CROSS. All I can submit, Senator Kennedy, and I am glad you asked, is they instructed the district attorney and the police to get the facts on the perjury and when it was called in front of the grand jury, the only people called in were those people who had accused me, and not myself.

Senator KENNEDY. You are stating in this thing that this plot, as you called it, was exposed by the grand jury as "rampant with perjury," is that correct?

Mr. CROSS. What plot?

Senator KENNEDY. This same plot, and in other words the plot of armed assault, alleged kidnapping, was exposed by the grand jury as "rampant with perjury."

Mr. CROSS. Yes.

Mr. HARRIS. May I address Senator Kennedy on that for a moment, as one lawyer to another?

Senator KENNEDY. I am not a lawyer.

Mr. HARRIS. You have your counsel sitting right next to you. The charge against Mr. Cross and Mr. Stuart and Mr. Gardon and Mr. McCullough before the grand jury of San Francisco was assault, conspiracy, and kidnapping.

This is a felony charge. There were some twenty-odd witnesses who testified before that grand jury, sir—hotel managers, bellhops, cab-drivers, and policemen, and all sorts of people testified, including the principals, and including Mr. Cross, who voluntarily waived immunity and appeared before the grand jury.

At the end of that hearing, the foreman of the grand jury made this public statement, which is the only statement made:

It appears that this is a case of simple assault, which is a misdemeanor and not a felony, and accordingly, does not come within the jurisdiction of the grand jury. The case itself is rampant with perjury.

Now, I ask you, sir, who committed the perjury. Obviously, I say to you, the accusers committed the perjury, because if they had believed the accusers—

Senator KENNEDY. I will say to the counsel that you just asked the counsel for this committee not to characterize the testimony, and I would suggest the same to you.

Mr. HARRIS. I am not characterizing the testimony before this committee.

The CHAIRMAN. I think a fair interpretation of the grand jury's action is that they investigated and I don't know who preferred the charges, or who set up the technical charge as to whether it was kidnapping or whether it was a felony or not. On the basis of the testimony they heard, they concluded that it would be nothing but a simple assault, and the grand jury had no jurisdiction of that offense.

They did not say either side, or which side, but they said the case was rampant with perjury. They asked the district attorney to see if he could unravel it and find out who had committed the crime of perjury.

I think the grand jury, as I interpret its statement and report, was unable to determine or did not determine, certainly it did not state with any certainty which witness or which side of the controversy committed perjury. They probably believed there was a little on both sides. That is about the best I can judge from the report.

Mr. HARRIS. Had they believed the accusers, would they not have had reasonable cause to find an indictment?

The CHAIRMAN. I do not know the accusers' testimony, and I do not know what it was, and I do not know whether, assuming that the accusers' testimony was true, it amounted to a felony. I do not know. I do not know what the law is out there.

Mr. CROSS. Senator McClellan, all I know is that the grand jury didn't indict and the police court didn't arrest or go to any procedure with me.

The CHAIRMAN. If the other side were perjurers, they have not been prosecuted for perjury.

Senator KENNEDY. I would say from yesterday's testimony, that testimony of Mrs. Erhlich and you, that one of you committed perjury. Therefore, I think it is fair to say that it is "rampant with perjury," and that does not mean that this plot was exposed by the grand jury as rampant with perjury which is an entirely different inference.

In fact, Normal Elkinton, chief assistant district attorney of the city and county of San Francisco, in a letter of November 9, 1956, which is exhibit No. 38, states—

The case itself is rampant with perjury, and we recommend that the district attorney's office pursue this matter further. We were of the opinion that Cross, contrary to his statement, was in the hotel rooms when the arguments and alleged beatings took place.

The CHAIRMAN. That is a statement of the grand jury?

Senator KENNEDY. It is a statement of the chief assistant district attorney. In other words, I don't think that your statement here that this plot was exposed as rampant with perjury is an accurate statement.

Mr. CROSS. I was only taking the words of the grand jury, and the plot was exposed and otherwise I would have been indicted.

Mr. KENNEDY. Yesterday Mrs. Erhlich's attorney made a request that you and they submit to a lie detector test, and I was wondering what your position was on that?

Mr. CROSS. Senator McClellan, and Mr. Chairman, I would suggest that if it is permissible, I allow my counsel to answer the same as it was her counsel that made the statement.

Mr. KENNEDY. If you don't want to do it, that is fine. You don't have to.

The CHAIRMAN. Let us get it in its proper perspective, now. The witness yesterday, through her counsel, as I recall it was, and which she confirmed, asked that she be given a lie detector test by any Government agency or authority authorized to do so, or by any independent service of that character that the committee might select, and that you also submit to a similar test, and that they challenged you to do so.

I am not prepared at this moment to say whether such a test can be arranged, but in view of that offer on the witness' part, and they even said that they would pay for it, as I recall, the question now is, Do you wish to request—and the committee will not require you to do it unless you request it or unless you accept—do you desire a lie detector test?

Now, Mr. Counsel, if you want to confer with your client, and you want to temporarily answer for him, you may do so.

Mr. HARRIS. Mr. Chairman, Mr. Cross would like me to make this answer for him and then he can answer your question.

The CHAIRMAN. I am handling it this way because yesterday the request, I believe, came primarily through her counsel.

Mr. HARRIS. Yes, it did, sir.

Mr. Chairman, I do not have faith in lie detectors. I believe that it is generally known that they are still in the experimental stage. The whole principle upon which they are based depends upon emotional reaction. A cold and calculating person can beat a lie detector, and a sensitive and conscientious person, though innocent of any crime, might well be trapped by one.

I would like, Mr. Chairman, to quote very briefly—

The CHAIRMAN. I do not need that.

Mr. HARRIS. I would like to quote from the testimony of J. Edgar Hoover.

The CHAIRMAN. There is no use to clutter up the record. You say for your client that you do not have faith in them, and therefore, you would not like to submit to them.

Mr. HARRIS. Mr. Goldstone made a very dramatic statement. To me it was a very dramatic statement on what he thought would be wonderful about it.

The CHAIRMAN. You have arguments both ways, and I am not saying that I think they are always accurate, and I am not making any statement. I do not need any quotes on what someone else thinks about it, but it is sufficient that you do not have faith in them, and I am not challenging the soundness of that position.

Therefore, you do not want to submit to one?

Mr. HARRIS. For this reason I advised Mr. Cross not to submit to one.

The CHAIRMAN. Then, Mr. Cross, you agree that you do not care to submit to a lie-detector test?

Mr. Cross. I always accept the advice of counsel.

The CHAIRMAN. And you accepted his advice then in this instance?

Mr. Cross. Yes.

Senator KENNEDY. Continuing the letter, it says—

I was not indicted, despite the lying testimony of the six who made the police complaint.

That is a matter of opinion.

Their fabricated and discredited story was repeated before the McClellan committee to spark the newspaper publicity as part of the malicious campaign of character assassination.

We must face the unpleasant fact that the unfavorable publicity created by the minority faction has badly damaged our union.

I am not sure that the unfavorable publicity was not created by you, Mr. Cross.

Mr. Cross. Well, there can certainly be opinions. I was not there, and it was created.

Senator KENNEDY. No one can deny the price that will be paid in failures in organization and increased problems at the bargaining table. Antiunion interests for their own purposes exploited an internal fight. What happened to us happens whenever members of the same family quarrel before strangers.

As your president, obliged by both the constitution and my conscience to serve you, I am confident that I will fulfill the 1956 convention action by which I was charged with the responsibility of leading the union in its continuing struggle for increased security, improved working and wage conditions, and greater social benefits for our members and their families.

Dedicated to this program are 14 of the 19 members of the general executive board. Most of them sat through the McClellan hearing, heard the testimony, and formed their own independent judgment.

I have attempted to indicate this morning why I do not think that the judgment of many of them is independent, because their salary is dependent upon you.

After personally observing the proceedings, their confidence in me was reinforced. If each of you could also have been present, you too, I am sure, would have reached the same opinion.

Then the letter continues.

Mr. Cross. May I ask a question there?

I think it is fair in view of what you have said that if someone charges you on the Senate floor with something, who do you answer to?

Senator KENNEDY. I answer to the voters who elected me.

Mr. Cross. And that is what I am doing, and you do it every 6 years, and I do it every 5.

Senator KENNEDY. Well, now, there is a somewhat different situation there. You are the controlling officer of your organization, and have what I think are far too excessive powers.

I am not the controlling officer of the people of Massachusetts, and they have many other officers whom they elect every 2 and every 4 years, and I am every 6 years.

It isn't as if Massachusetts were represented both county and State and city and nationally by me, and I came up every 6 years. I don't think that there is an adequate comparison.

Mr. Cross. The same thing holds true in our organization. There are local leaders, State leaders, district leaders, and international leaders.

Senator KENNEDY. But I have attempted to indicate, and I think the record shows, that your powers are excessive.

Now, the point that I am making is in answer to your question, that you did render a report to your union which was paid for by the union members, and I consider that that report was highly misleading.

That is my opinion, and I have attempted to show sentence by sentence why I think it was misleading.

Mr. CROSS. Mr. Chairman and Senator Kennedy, the same men who are now saying the things about this union and its dictatorial powers, with the exception of 1 or 2, but none of them who were international vice presidents or officers of this international union, not one of them raised their voice in opposition at that convention against these changes.

There was not one. First they got elected, and they got their salaries set, and then decided that they didn't like what was going on, because they wanted the seat instead of the other way around.

Senator KENNEDY. I have never met or talked with any of them, and I am just looking at it from the record, as the testimony has been developed before this committee.

Now, to conclude, I just want to state that at least from looking at this record, during the calendar year 1956, the Bakery and Confectionery Workers International Union paid you for your expenses the sum of \$39,682.55. Of this amount, \$30,015.16 was not supported in any manner or form by invoices or bills, and of this unsupported sum, there was \$30,000 where you furnished only written, unsubstantiated explanations.

Of that, \$25,102.10 was for entertainment, dinners and birthday parties, and gratuities and personal expenses.

Secondly, I am concerned about your payments to Mrs. Kay Lower, and thirdly, your whole relationship with the Philipsborn family, and the fact you accepted loans, and your meetings with them during contract negotiations, and testimony before this committee that the contracts were lower than the others, although you have attempted to argue that.

I don't feel that you have conducted the affairs of this union satisfactorily, Mr. Cross; at least that is my judgment, and I am not a member of your union. Nor do I think that your union members have an adequate opportunity to study this record, and to make a true judgment if this is the type of information which they are receiving from their union headquarters.

Mr. Cross. I am sure you will agree with me that that is not the only information they are receiving. This so-called committee on integrity has been supplying them with everything that has been in the newspapers, and the newspapers certainly have been supplying them with everything that the committee has been bringing out. So I am sure that they are very well informed, and in spite of that there are very, very few protests from the membership of this international union against my responsible action in this international union.

Senator KENNEDY. Once again I say they will not have an opportunity until 1961, and so I don't think that you are able to make a complete judgment on that. The only group that has any control over you until then is the executive board and I think we have shown very clearly that that is not a completely independent body.

Senator CURTIS. Mr. Chairman, I will be very brief.

Mr. Cross, in this letter of July 1, 1957, which was sent to all of the members, was it your intention to give a complete picture of the facts as they related to the charges against you?

Mr. Cross. That had already been given, Senator, and my object there and the object of those on the general executive board who voted in favor to send it, was to send to the members what we believed came out of these meetings.

Senator CURTIS. Well, now, in this letter you state—

I was charged with unorthodox methods of organizing Van de Kamp and Golden Crust by employing a special woman organizer

Why didn't you tell them in this letter that when she was asked if she knew you or to tell about her association with you, in each and every instance she declined to answer on the ground that it would incriminate her? Wouldn't that be material if they were going to have an accurate picture of whether or not that was a proper arrangement?

Mr. CROSS. I am sure they knew of her testimony from the papers.

Senator CURTIS. But you didn't put it in your letter.

Mr. CROSS. She is not a member of this organization, nor does she work for us any more.

Senator CURTIS. But this "special woman organizer" that you referred to is the woman who repeatedly took the fifth amendment here when asked if she knew you or to explain what duties she performed for you; isn't that correct? That is the woman, isn't it?

Mr. CROSS. The woman that appeared here, yes.

Senator CURTIS. Are you currently drawing a salary from the union?

Mr. CROSS. Yes, sir.

Senator CURTIS. And you have through 1957?

Mr. CROSS. Yes, sir.

Senator CURTIS. Notwithstanding a great deal of your time and thought and attention has been in reference to your defense before this committee?

Mr. CROSS. I don't think it is my defense. I think it is the defense of the organization.

Senator CURTIS. Well, I know of no charges brought against the organization by this committee.

Mr. CROSS. As its elected responsible officer, there certainly is.

Senator CURTIS. No, I have been sitting here for weeks, and I know of no charge of misconduct brought against the Bakery and Confectionery Workers International Union.

Mr. CROSS. Because the majority position of this general executive board has upheld my actions, therefore, it becomes the official position of this international union.

Senator CURTIS. All of the testimony and complaint has been against you, or a few other individuals for their own personal conduct. There has been no charge made against the union before this committee whatever.

But you say that you are still drawing your salary. Now, in your second paragraph you refer to this self-styled integrity committee, which says—

This group still accepts union pay while neglecting their union duties. If they had more integrity and less hunger for power, they would refuse the union pay which is neither earned nor deserved.

Why didn't you tell them in there that you are drawing your pay?

Mr. CROSS. I am earning it.

Senator CURTIS. While you are defending yourself?

Mr. CROSS. Well, if you will compute the hours which I spend here defending myself and the organization, I will guarantee you

that if you check my scheduling in the last two or three months you will find that I have put in that much overtime.

Senator CURTIS. I think you have been a very busy man. There is no question about that.

The CHAIRMAN. I have one question.

I do not understand this. Who do you refer to that are still drawing their pay and doing no work?

Mr. CROSS. I have assigned 3, 4 or 5, I am not sure, vice presidents of this international union who are on full-time salary, and they have refused to accept assignments that I have given them. There has been nothing done, and they are members of this so-called integrity committee.

The CHAIRMAN. Mr. CROSS, I am not sure, and I am just asking for information, but with the power you have, and the executive board has, can it not suspend them without pay?

Mr. CROSS. Yes, sir.

The CHAIRMAN. Why haven't you done that?

Mr. CROSS. Because in our desire to prove that regardless of this dissident element in this union, and their activities while on the payroll of this international union, they still cannot get enough support in this organization to upset the rightful policies and positions of their international union.

The CHAIRMAN. Now, you are complaining there about them drawing their pay, and doing no work.

Mr. CROSS. I am not complaining. I am merely pointing it out to the members.

The CHAIRMAN. If it is not a complaint, then you characterize it. You are pointing out that they are still drawing their pay and doing no work.

Mr. CROSS. Right.

The CHAIRMAN. And you have it in your power to stop the pay when they stop the work.

Mr. CROSS. That is right.

The CHAIRMAN. But you haven't exercised it.

Mr. CROSS. I haven't for many reasons, Senator McClellan, and I am sure you know of some of them.

The CHAIRMAN. I am not sure what I know at the moment.

Is there anything further?

Thank you very much.

Do you think we will need Mr. Cross any further? Let us try to determine that.

You will remain under subpoena and you have agreed to supply some documents for Senator Kennedy.

Mr. CROSS. I will do that without subpoena. I think that proves my point.

The CHAIRMAN. Until that is done, I cannot release you.

Mr. KENNEDY. Are you familiar with Morton Foods, in Webster City, Iowa?

Mr. CROSS. Morton Foods is a frozen food manufacturer that is owned by the Continental Baking Co.

Mr. KENNEDY. Do you know under what conditions your union came into and started organizing Morton Foods in Webster City?

Mr. CROSS. I am not too familiar, Mr. Kennedy, and I do know that Director of Organization Stuart is the one. He assigned Merle Smith, our international representative.

Mr. KENNEDY. Do you know Mr. Nathan Shefferman?

Mr. CROSS. I have met him twice over the period of the last 10 years.

Mr. KENNEDY. Did you discuss Morton Foods with him?

Mr. CROSS. No, sir.

Mr. KENNEDY. Do you know if Mr. Stuart did?

Mr. CROSS. I don't know, sir. I haven't seen Mr. Shefferman in over 2 years. I take that back. I met him at the airport in Chicago, as I was passing through, and Mr. Beck was with him.

Mr. KENNEDY. It is possible that Mr. Cross will be recalled back.

The CHAIRMAN. All right, you will remain under the same subpoena, according to the previous recognizance.

Mr. CROSS. May I ask, so I am sure, if Senator Kennedy desired the proposition and the letters of voting on the membership letter that was sent by myself?

The CHAIRMAN. Is that correct?

Mr. KENNEDY. The letter that you sent out to the executive board and their replies.

Mr. CROSS. Well, let us say that he wanted whatever I sent to the executive board seeking approval of this membership letter, and their replies.

The CHAIRMAN. All right.

We will proceed with this witness.

TESTIMONY OF JAMES F. MUNDIE—Resumed

Mr. KENNEDY. This will only take just a moment. I want to get the records in for reference, as to this bank account of Mr. Cross. This is Mr. Mundie. Now, can you just run down what this record shows, and then put the supporting documents in?

Mr. MUNDIE. Analysis of the bank account maintained at the National Bank of Washington, Washington, D. C., for the year 1956-57, for Mr. Cross shows that cash deposits in the amount of \$2,009.22, and international travel advances, \$7,865; Van de Kamp's fund, \$7,500; monthly expense checks, \$2,144.09; bimonthly expense accounts, \$176; unidentified deposits, \$560.96, making a total of \$20,255.27.

The withdrawals for the same year show checks to Mr. George Stuart in the amount of \$1,200. Checks to Mr. Guy King for Van de Kamp organizing fund, \$4,000.

Mr. KENNEDY. Did those checks go into a bank account?

Mr. MUNDIE. They went into a bank account maintained in the name of Mr. Guy King, of Los Angeles, Calif.

Payments to hotels, \$487.15.

Payment to the Monte Carlo Hotel, identified at this hearing by Mr. Cross for Miss Kay Lower, \$331.31. Payments to the Congressional Country Club, \$208.

Payments to the Screen Actors Guild identified by Mr. Cross for literature, \$379.60.

International travel refunds, \$365.

Payments of union dues local No. 2 for Mr. Cross, \$52.20.

Unidentified withdrawals, \$333.33.

Checks to Mr. Cross, and Mr. Cross' secretary or to cash, \$12,898.68, making a total of \$20,255.27. The bank account was closed in 1957, in March.

The CHAIRMAN. These supporting documents of your testimony there you may identify by placing your signature on them, and the combined group will be made exhibit No. 91 for reference.

(The documents referred to were marked exhibit No. 91 for reference and may be found in the files of the select committee.)

Mr. KENNEDY. I have just one question.

On the Van de Kamp fund \$7,500 was deposited, and \$4,000 out of the \$7,500 was deposited in this bank account.

Mr. MUNDIE. As explained, yes.

Mr. KENNEDY. And \$4,000 came out; is that right?

Mr. MUNDIE. That is right.

Mr. KENNEDY. That leaves \$3,500 unaccounted for.

Mr. MUNDIE. That is right.

Mr. KENNEDY. Out of that, there was some \$379.60 for the Screen Actors Guild, that is accounted for, and Mr. Cross said it is down to \$2,200 now.

Mr. CROSS. If you will allow me, Mr. Chairman, the check he is talking about, or the moneys to George Stuart, \$1,200, will complete the \$5,200 that I mentioned. Senator McClellan, and that also was forwarded for the Van de Kamp fund to this Guy King.

Mr. KENNEDY. That leaves what?

Mr. CROSS. Less than \$2,000, because the \$379.60 is also part of the Van de Kamp amount.

Mr. KENNEDY. It is about \$2,000 that you still haven't accounted for?

Mr. CROSS. \$1,900.

Mr. KENNEDY. That you haven't accounted for?

Mr. CROSS. That is right, and I still have it.

The CHAIRMAN. Let the Chair ask counsel this question:

There is obviously irreconcilable conflict of testimony between Mr. Cross and Mrs. Erhlich and Mr. Kane, who testified here with respect to the hotel visit at some early hour in the morning, and I have forgotten the date, in San Francisco. I think that is sufficient to identify it. Unless there is objection on the part of the committee, the Chair will direct the staff to transmit to the Justice Department that part of the testimony of these witnesses, a transcript of that part of the testimony of these witnesses that is in conflict about what occurred at the hotel in that fracas.

Now, apparently the grand jury investigated it, as I have previously stated, without being able to make a determination as to who was telling the truth. The district attorney out there, or the prosecuting attorney, or whatever his title is, was requested by the grand jury to pursue the matter thoroughly. I am not advised as to how thoroughly he has pursued it or what the developments have been since then.

In the past, during the course of this committee's labors in these hearings, where there has been testimony that could not all be reconciled, where it was apparent someone was committing perjury, we have taken this action to refer it to the Justice Department. I think it should be referred and the Justice Department is equipped and in

cooperation with other law enforcement agencies there on the local scene it may be that it will be able to determine who should be prosecuted for perjury here before this committee.

I don't think that we should overlook these things. It is an impossible situation, and it is a hardship. We are hearing a lot of talk about contempt today, and it is contemptuous, certainly, but the crime of perjury is possible more severe than the contempt. It is an act of contempt to come before any tribunal and willfully testify falsely.

Of course, in this instance, this testimony, what part of it is false here is perjury. There is no apparent reason or there is no circumstance to indicate that there might be an honest difference of opinion or an honest difference or knowledge of the facts. The testimony is in direct conflict, that it did occur or it did not occur, and all of the witnesses testifying on that issue were in position to know and still are, what the truth is. I am not saying this witness is the one who committed perjury, and what I am saying applies just as much to the other two whose testimony is in conflict. I would want to see one brought to Justice just the same as the other.

Perjury not only can be very, very deceptive when it is not detected but it can have an influence upon the result of these hearings. If we are deceived into believing testimony that is false it might cause us to come to erroneous conclusions and unjust conclusions.

So where it is possible to do so, and when the witness comes before this committee and commits perjury, I am going to ask the Justice Department to pursue it to the end and the guilty might be punished.

I am not going to rehearse all the testimony that has caused this committee concern, as has been indicated as we have gone along. I think Senator Kennedy pretty well, a while ago, reviewed this testimony that does give the committee concern. I will not restate it. I substantially agree with the statements that he made about it.

The Chair should state, and I wish to state that I very definitely agree with Senator Kennedy in the view he expressed with regard to the tremendous power that is reposed in some of these positions, particularly in this case in the top echelon of authority of union management in this international union.

I further agree with him that if the interest of these laboring people, these people who are earning their money by the sweat of their brow, is to be protected, that there should be some way and the constitution should provide and afford the rank and file an opportunity to make checks against their officials and pass judgment on them more often certainly than once each 5 years.

I believe in this particular instance, in view of the proof, without passing final judgment on it, if one is concerned about the welfare of the working people whom he represents and for whom he occupies a position of trust, that the testimony developed here and the circumstances are such that it should appeal to the leadership of that union, the president and the executive board and those who have the authority to do so, to call a convention of this union where the rank and file membership might be afforded an opportunity to pass judgment upon this issue and either sustain you in the actions that you have taken, or if they disapprove, take appropriate action to correct their problem and get their affairs back under proper control.

If that is not done, there will continue to be, in my judgment, a large question mark and suspicion that the integrity of the leadership of this union is not what it should be and what the working people have a right to expect.

I hope that you will give that some consideration.

The committe stands in recess until 2:30 and this particular matter will be continued subject to the call of the Chair.

(The committee recessed at 1:15 p. m., to reconvene at 2:30 p. m. the same day.)

APPENDIX

EXHIBIT No. 2

23

88723

NAME L. and C-Organizing Fund

SIGNATURE *Anthony J. Infante*

☐ JOINT ACCOUNT
BOTH SIGN

SIGNATURE (If checks are being cashed see Mr. ☐ ROBERT)

	DATE	WITHDRAWAL	DEPOSIT	INTEREST	BALANCE	TRANS.
1	AUG 27-55		*500.00		**500.00	A=
2			1.750.00			B=
3	SEP-8-55	*500.00			*1.750.00	B=
4	SEP 15-55	*500.00			*1.250.00	B=
5	SEP 19-55		*500.00		*1.750.00	A E
6	SEP 22-55	1.000.00			**750.00	B=
7	SEP 26-55		*500.00		*1.250.00	A E
8	OCT-3-55		*500.00		*1.750.00	A E
9	OCT-6-55	*750.00			*1.000.00	B=
10	OCT 11-55		*250.00		*1.250.00	A E
11	OCT 17-55	1.000.00			**250.00	A=
12	OCT 20-55		*750.00		*1.000.00	A E

BANK OF ELMWOOD PARK, ILLINOIS

13			*500.00			A=
14	OCT 24-55	*800.00			**700.00	A=
15			*500.00			B=
16	NOV-3-55	*400.00			**800.00	B=
17	NOV 10-55		*500.00		*1.300.00	A E
18			*500.00			B=
19	NOV 14-55	1.000.00			**800.00	B=
20			*500.00			A=
21	NOV 18-55	*600.00			**700.00	A=
22	NOV 26-55		*500.00		*1.200.00	A E
23	NOV 26-55	*600.00			**600.00	A E
24			*500.00			B=

HOME ADDRESS 7804 W. Fullerton Ave., Elmwood Park

EMPLOYED

HOME ADDRESS

EMPLOYED

33728

NAME B and C. Organizing Fund

SIGNATURE

SIGNATURE

	DATE	WITHDRAWAL	DEPOSIT	INTEREST	BALANCE	TRANS
1	DEC-8-55	*600.00			**500.00	A =
2			*500.00			A =
3	DEC 13-55	*500.00			**500.00	A =
4			*500.00			A =
5	DEC 22-55	*500.00			**500.00	A =
6			1000.00			A =
7	DEC 30-55	*500.00			*1000.00	A =
8	JAN-3-56	1000.00			***0.00	A =
9						
10						
11						
12						

BANK OF ELMWOOD PARK, ILLINOIS

13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						

NAME
ADDRESS

7804 W. Fullerton Ave., Chicago

EMPLOYED
BYNAME
ADDRESS

CITY

EXHIBIT No. 3

33733.3 B AND C ORGANIZING FUND

BANK OF ELMWOOD PARK

is hereby authorized to recognize the signature(s) executed herewith in payment of funds or the transaction of any other business of said party. The undersigned agree(s) to the conditions and agreements contained herein. For and in consideration of the payment by Bank of Elmwood Park of the next maturing installment of premium to be due the Federal Deposit Insurance Corporation for the insurance of this account, and in further consideration of the acceptance of deposits for credit to this account, the undersigned hereby waives all recourse to, and expressly release(s) any present or future stockholders from any personal liability for the repayment of any indebtedness of the said Bank to the undersigned imposed upon stockholders of the said Bank under Section 6, Article XI of the Constitution of the State of Illinois and the Statutes of the State of Illinois in such case made and provided. The undersigned agrees to the terms and conditions contained on the reverse side of this card and assents to this contract.

SIGNATURE

RESIDENCE

BUSINESS ADDRESS

PHONE

PHONE

OCCUPATION

NAME OF HUSBAND OR WIFE

ACCOUNT OPENED BY

DATE OPENED

FOR BANK

INITIAL DEPOSIT

Anthony J. Conforti
7804 W. Fullerton Ave

8-1955

ACCOUNT

500-

8-26-55



SAVINGS WITHDRAWAL ORDER

ACCOUNT NO. 33723RECEIVED OF
BANK OF ELMWOOD PARK, ILL.SEPT. 7, 1955
1500⁰⁰FIVE HUNDRED

DOLLARS

which has been charged to my Savings Account

Verified	Approved Signature	Posted
	<i>[Signature]</i>	
Old Balance \$		
Withdrawal \$		
New Balance \$		

Outstanding Pk.

Savings Pass Book Must Be Presented With This Receipt

B+C ORGANIZING FUND
NAME Anthony J. ConfettiADDRESS 7804 W. Fullerton Ave

SAVINGS WITHDRAWAL ORDER

ACCOUNT NO. 33723RECEIVED OF
BANK OF ELMWOOD PARK, ILL.SEPT. 15, 1955
1500⁰⁰FIVE HUNDRED

DOLLARS

which has been charged to my Savings Account

Verified	Approved Signature	Posted
	<i>[Signature]</i>	
Old Balance \$		
Withdrawal \$		
New Balance \$		

Savings Pass Book Must Be Presented With This Receipt

B+C ORGANIZING FUND
NAME Anthony J. ConfettiADDRESS 7804 W. Fullerton

SAVINGS WITHDRAWAL ORDER

ACCOUNT NO. 33723RECEIVED OF
BANK OF ELMWOOD PARK, ILL.SEPT. 22, 1955
1000⁰⁰ONE THOUSAND DOLLARS

DOLLARS

which has been charged to my Savings Account

Verified	Approved Signature	Posted
	<i>[Signature]</i>	
Old Balance \$		
Withdrawal \$		
New Balance \$	<u>250</u>	<u>00</u>

Outstanding Pk.

Savings Pass Book Must Be Presented With This Receipt

B+C ORGANIZING FUND
NAME Anthony J. ConfettiADDRESS 7804 W. Fullerton

SAVINGS WITHDRAWAL ORDER

ACCOUNT NO. 33723OCT. 6, 1955750⁰⁰RECEIVED OF
BANK OF ELMWOOD PARK, ILL.SEVEN HUNDRED AND FIFTY DOLLARS

which has been charged to my Savings Account

Verified	Approved Signature	Printed
	<i>[Signature]</i>	<i>[Signature]</i>
Old Balance . \$	<u>OCT 6 1955</u>	
Withdrawal . \$	<u>750.00</u>	
New Balance \$		

BYC ORGANIZING FUND

NAME Anthony J. ConfortiADDRESS 7804 W. Fullerton

Outdollar Fee

Savings Pass Book Must Be Presented With This Receipt

SAVINGS WITHDRAWAL ORDER

ACCOUNT NO. 33723OCT. 17 19551000⁰⁰RECEIVED OF
BANK OF ELMWOOD PARK, ILL.ONE THOUSAND DOLLARS

which has been charged to my Savings Account

Verified	Approved Signature	Printed
	<i>[Signature]</i>	<i>[Signature]</i>
Old Balance . \$	<u>OCT 17 1955</u>	
Withdrawal . \$	<u>1000.00</u>	
New Balance \$		

BYC ORGANIZING FUND

NAME Anthony J. ConfortiADDRESS 7804 W. Fullerton Ave.

Outdollar Fee

Savings Pass Book Must Be Presented With This Receipt

SAVINGS WITHDRAWAL ORDER

ACCOUNT NO. 33723OCT. 24, 1955800⁰⁰RECEIVED OF
BANK OF ELMWOOD PARK, ILL.EIGHT HUNDRED DOLLARS DOLLARS

which has been charged to my Savings Account

Verified	Approved Signature	Printed
	<i>[Signature]</i>	<i>[Signature]</i>
Old Balance . \$	<u>OCT 24 1955</u>	
Withdrawal . \$	<u>800.00</u>	
New Balance \$		

BYC ORGANIZING FUND

NAME Anthony J. ConfortiADDRESS 7804 W. Fullerton

Outdollar Fee

Savings Pass Book Must Be Presented With This Receipt

SAVINGS WITHDRAWAL ORDER

ACCOUNT NO. 33723Nov. 3 1955\$400⁰⁰RECEIVED OF
BANK OF ELMWOOD PARK, ILL.FOUR HUNDRED

DOLLARS

which has been charged to my Savings Account

Verified	Approved Signature	Paid
	<i>[Signature]</i>	
Old Balance . \$	<i>100.00</i>	
Withdrawal . \$	<i>400.00</i>	
New Balance \$	<i>00.00</i>	

B+C ORGANIZING FUND

NAME Anthony J. ConforteADDRESS 7804 W. Fullerton

Outstanding Pts.

Savings Pass Book Must Be Presented With This Receipt

SAVINGS WITHDRAWAL ORDER

ACCOUNT NO. 33723Nov. 14 1955\$1000⁰⁰RECEIVED OF
BANK OF ELMWOOD PARK, ILL.ONE THOUSAND

DOLLARS

which has been charged to my Savings Account

Verified	Approved Signature	Paid
	<i>[Signature]</i>	
Old Balance . \$	<i>00.00</i>	
Withdrawal . \$	<i>1000.00</i>	
New Balance \$	<i>00.00</i>	

B+C ORGANIZING FUND

NAME Anthony J. ConforteADDRESS 7804 W. Fullerton

Outstanding Pts.

Savings Pass Book Must Be Presented With This Receipt

SAVINGS WITHDRAWAL ORDER

ACCOUNT NO. 33723Nov. 18 1955\$600⁰⁰RECEIVED OF
BANK OF ELMWOOD PARK, ILL.SIX HUNDRED

DOLLARS

which has been charged to my Savings Account

Verified	Approved Signature	Paid
	<i>[Signature]</i>	
Old Balance . \$	<i>00.00</i>	
Withdrawal . \$	<i>600.00</i>	
New Balance \$	<i>00.00</i>	

B+C ORGANIZING FUND

NAME Anthony J. ConforteADDRESS 7804 W. Fullerton

Outstanding Pts.

Savings Pass Book Must Be Presented With This Receipt

SAVINGS WITHDRAWAL ORDER

ACCOUNT NO. 33723

RECEIVED OF
BANK OF ELMWOOD PARK, ILL.

Nov. 26 1955

\$600 ⁰⁰/₁₀₀

Six Hundred

DOLLARS

Verified	Approved Signature	Posted
Old Balance . \$		
Withdrawal . \$		
New Balance \$		

Outstanding Pts.

which has been charged to my Savings Account

B+C ORGANIZING FUND
NAME Anthony J. Conforti

ADDRESS 7804 W. Fullerton

Savings Pass Book Must Be Presented With This Receipt

SAVINGS WITHDRAWAL ORDER

ACCOUNT NO. 33723

RECEIVED OF
BANK OF ELMWOOD PARK, ILL.

Dec. 8 1955

\$600 ⁰⁰/₁₀₀

Six Hundred

DOLLARS

Verified	Approved Signature	Posted
Old Balance . \$		
Withdrawal . \$		
New Balance \$		

Outstanding Pts.

which has been charged to my Savings Account

B+C ORGANIZING FUND

NAME Anthony J. Conforti

ADDRESS 7804 W. Fullerton

Savings Pass Book Must Be Presented With This Receipt

SAVINGS WITHDRAWAL ORDER

ACCOUNT NO. 33723

RECEIVED OF
BANK OF ELMWOOD PARK, ILL.

Dec. 13 1955

\$500 ⁰⁰/₁₀₀

Five Hundred

DOLLARS

Verified	Approved Signature	Posted
Old Balance . \$		
Withdrawal . \$		
New Balance \$		

Outstanding Pts.

which has been charged to my Savings Account

B+C Organizing Fund

NAME Anthony J. Conforti

ADDRESS 7804 Fullerton

Savings Pass Book Must Be Presented With This Receipt

SAVINGS WITHDRAWAL ORDER

ACCOUNT NO. 33723RECEIVED OF
BANK OF ELMWOOD PARK, ILL.Dec. 22 1952
1500⁰⁰FIVE HUNDRED

DOLLARS

which has been charged to my Savings Account

Verified	Approved Signature	Posted
	<i>[Signature]</i>	
Old Balance \$		
Withdrawal \$		
New Balance \$		

BFC ORGANIZING FUND

NAME Anthony J. Conforti

Savings Pass Book Must Be Presented With This Receipt

SAVINGS WITHDRAWAL ORDER

ACCOUNT NO. 33723RECEIVED OF
BANK OF ELMWOOD PARK, ILL.Dec. 30 1952
500⁰⁰FIVE HUNDRED

DOLLARS

which has been charged to my Savings Account

Verified	Approved Signature	Posted
	<i>[Signature]</i>	
Old Balance \$		
Withdrawal \$		
New Balance \$		

BFC ORGANIZING FUND

NAME Anthony J. Conforti

Savings Pass Book Must Be Presented With This Receipt

SAVINGS WITHDRAWAL ORDER

ACCOUNT NO. 33723RECEIVED OF
BANK OF ELMWOOD PARK, ILL.JAN. 3 1953
1000⁰⁰ONE THOUSAND

DOLLARS

which has been charged to my Savings Account

Verified	Approved Signature	Posted
	<i>[Signature]</i>	
Old Balance \$		
Withdrawal \$		
New Balance \$		

BFC ORGANIZING FUND

NAME Anthony J. ConfortiADDRESS 7804 Fullerton

Outsinger File

Savings Pass Book Must Be Presented With This Receipt

EXHIBIT No. 5

00243 No. 300
 BISCUIT, CRACKER & CANDY WORKERS' LOCAL UNION No. 300
 277 North Franklin Avenue, Room 200, Chicago 24, Illinois
 710
 Dec. 14 1953
 \$555.98
 DOLLARS
 AMERICAN NATIONAL BANK AND TRUST COMPANY
 CHICAGO
 PAY TO THE ORDER OF
 Charles Postum
 Secretary-Treasurer

Chicago
 Charles Postum
 555
 710
 277
 00243
 BISCUIT, CRACKER & CANDY WORKERS' LOCAL UNION No. 300
 277 North Franklin Avenue, Room 200, Chicago 24, Illinois
 710
 Dec. 14 1953
 \$555.98
 DOLLARS
 AMERICAN NATIONAL BANK AND TRUST COMPANY
 CHICAGO
 PAY TO THE ORDER OF
 Charles Postum
 Secretary-Treasurer

Biscuit, Cracker and Candy Workers' Local No. 300

VOUCHER FOR DISBURSEMENT

DATE

June 18 1953

CHECK DRAWN
AND PAYABLE TO543-90 *W. C. Crisp*

00023

IN PAYMENT OF

W. C. Crisp

Approved by

W. C. Crisp

Printed in U.S.A.

SM-10-52 1011-A25

EXHIBIT No. 7

*Bakery and Confectionery Workers' International Union of America***FACTORY BAKERS' UNION LOCAL No. 100**

OFFICE OF THE PRESIDENT AND CORRESPONDING SECRETARY-TREASURER

VOUCHER FOR DISBURSEMENT

Check #1321

Date January 30

, 19 56

\$ 33.32 Check Drawn
and Payable to L. London

in payment of conference expenses

Approved

V 4 - 25 - A - 1 - 84

2250
710

AETNA STATE BANK

NO. 1321

January 30 19 56

Chicago

PAY TO THE ORDER OF

L. London

383.32

Three-Hundred-Eighty-Three and 32/100 DOLLARS

FACTORY 333 UNION PARK ST.

Anthony Vincent

St. Barbara

PAY TO THE ORDER OF
First State Bank of Elmwood Park
LONDON JEWELERS

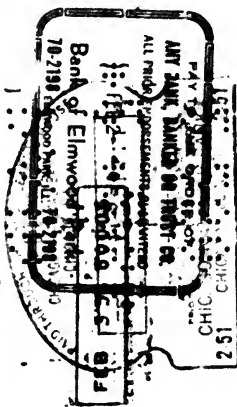


EXHIBIT No. 8

4^F
 Acy' Cufona, Boxel Union #100 C No. Houston, Tex.

DATE	DEBIT	CREDIT	BALANCE
12/1/50	3800		3800
12/2/50	4900		8700
12/3/50	4100		12800
12/4/50	2000		14800
12/5/50	5500		20300
12/6/50		38300	0000

24

London Jewelers

EXPERT WATCH REPAIR



JEWELRY

WATCHES

DIAMONDS

7135 W. Grand Avenue
Monte Clare Theatre Building
Berkshire 7-2243
CHICAGO 33, ILLINOIS

Customer's
Order No. _____

Order No. 105

3

Acknowledgments

[illegible]

ALL claims and returned goods MUST be accompanied by this bill

Rec'd by 6177A

—O—PAPER CO.

etc

Jewelers

EXPERT WATCH REPAIR



JEWELRY

WATCHES

DIAMONDS

7135 W. Grand Avenue
Monte Clare Theatre Building
Berkshire 7-2243
CHICAGO 35, ILLINOIS

Customer's
Order No.

Order No. 106 Date 1/29

3

1999

[illegible]

ALL claims and returned goods MUST be accompanied by this form.

62372

THE

London Jewelers

EXPERT WATCH REPAIR



JEWELRY

WATCHES

EXPERT WATCH REPAIR



JEWELRY

WATCHES

DIAMONDS

7135 W. Grand Avenue
Monte Clare Theatre Building

Berkshire 7-2243
CHICAGO 35, ILLINOIS

DIAMONDS

135 W. Grand Avenue
Monte Clare Theatre Building

Berkshire 7-2243
CHICAGO 35, ILLINOIS

Customer's
Order No.

1973

3

1954

3

Old Town Comfort, Socy.

1

Box 144444 NW

[illegible]

ALL claims and returned goods MUST be accompanied by this bill.

62700

Aug 19, 2011

RESEARCH DESIGN

Customer's
Order No.

2008/03/01

3

1954

3

Old Town Comfort, Socy.

1

Box 144444 NW

[illegible]

ALL plans must be pre-approved by ISM prior to program per surp TTV

62419

29

Biscuit, Cracker and Candy Workers' Local No. 300

IMPROPER ACTIVITIES IN THE LABOR FIELD

3137

EXHIBIT No. 10

VOUCHER FOR DISBURSEMENT

DATE Nov 25, 19

\$ 7.00 CHECK DRAWN AND PAYABLE TO Cracker Jewelers

IN PAYMENT OF bal of exps incurred (Apr to)

Approved by:

[Signature]

Printed in U. S. A.

SM-10-52-1011-A25

5094

No.

BISCUIT, CRACKER & CANDY WORKERS' LOCAL UNION No. 300

6 North Hamilton Avenue, Room 200, Chicago 24, Illinois

2-77
710

Nov 25 1955

\$ 780⁰⁰

DOLLARS

PAY TO THE
ORDER OF

TO
AMERICAN NATIONAL BANK
AND TRUST COMPANY
OF CHICAGO

Anthony Starosta
Secretary-Treasurer



London Jewelers
Lee Jewelers

PAY TO THE ORDER OF
NORTHWEST NATIONAL BANK
OF CHICAGO
FOR DEPOSIT ONLY
LOAN ASSOCIATION

PAY TO THE ORDER OF
ANY BANK OR BANKER
NORTHWEST NATIONAL BANK
OF CHICAGO, ILL.
2-423

NOV 28 '55 1666

NOV 28 1955
NORTHWEST NATIONAL BANK
OF CHICAGO, ILLINOIS

Biscuit, Cracker and Candy Workers' Local No. 300

VOUCHER FOR DISBURSEMENT

DATE 19

CHECK DRAWN
AND PAYABLE TO

\$

IN PAYMENT OF

Approved by.

5M-10-52-1011-A25

BISCUIT, CRACKER & CANDY WORKERS' LOCAL UNION No. 300

6 North Wabash Avenue, Room 200, Chicago 24, Illinois

No. 00016

2-77
710

July 15, 1954

\$2500.00

DOLLARS

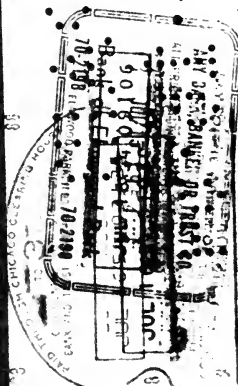
PAY TO THE
ORDER OFTO
AMERICAN NATIONAL BANK
AND TRUST COMPANY
OF CHICAGO*Anthony Starfo*
Secretary-Treasurer*John B. Mascarella*

EXHIBIT No. 11A

Biscuit, Cracker and Candy Workers' Local No. 300**VOUCHER FOR DISBURSEMENT**DATE 5 / 15 19__CHECK DRAWN
AND PAYABLE TO

\$

IN PAYMENT OF

Approved by:

Printed in U. S. A.

5M-10-52-1011-A25

BISCUIT, CRACKER & CANDY WORKERS' LOCAL UNION No. 300

6 North Haglin Avenue, Room 200, Chicago 24, Illinois

2-77
710

1911

PAY TO THE
ORDER OF

DOLLARS

E. R.

TO
AMERICAN NATIONAL BANK
AND TRUST COMPANY
OF CHICAGO

Secretary-Treasurer

J.B. Mascarella

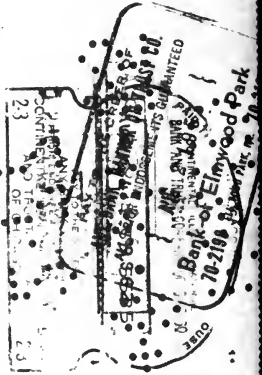


EXHIBIT No. 12

Biscuit, Cracker and Candy Workers' Local No. 300**VOUCHER FOR DISBURSEMENT**DATE 4-10-12 19__

\$ 3500⁰⁰ CHECK DRAWN
AND PAYABLE TO Medivac Hotel Corp.

IN PAYMENT OF expense (cancel-leave)

Approved by:

Printed in U. S. A.

SM-10-52-1011-A25

BISCUIT, CRACKER & CANDY WORKERS' LOCAL UNION No. 300

6 North Hamlin Avenue, Room 200, Chicago 24, Illinois

2-77
710

No.

April 10 1936

\$3500⁰⁰

DOLLARS

PAY TO THE
ORDER OFTO
AMERICAN NATIONAL BANK
AND TRUST COMPANY
OF CHICAGOSecretary, Treasurer
Secretary, TreasurerAT THE
NEW YORK BANK

APR 10 1936 4000

Midwest Hotel Corp.
Rex Street

EXHIBIT No. 13

BISCUIT, CRACKER & CANDY WORKERS' LOCAL UNION No. 300

6 North Dearborn Avenue, Room 200, Chicago 24, Illinois

No. 11111

2-77
710

Feb. 17 1953

PAY TO THE
ORDER OF

\$3000.00

DOLLARS

TO
AMERICAN NATIONAL BANK
AND TRUST COMPANY
OF CHICAGO

George J. Conforti
International Trustee



Anthony J. Conforti

15708

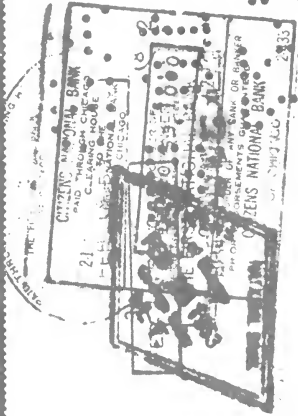


EXHIBIT No. 13A

Biscuit, Cracker and Candy Workers' Local No. 300**VOUCHER FOR DISBURSEMENT**DATE June 23, 1954\$ 3,230.00 CHECK DRAWN AND PAYABLE TO Larry Foul Oldsmobile Company 00000IN PAYMENT OF balance on card issued to Larry Foul Oldsmobile Company, 6/23/54
for balance on card issued to Larry Foul Oldsmobile Company, 6/23/54

Approved by:

W. F. Foul

Printed in U. S. A.

5M-10-52-1011-A25

EXHIBIT No. 14

(2)

Oct. 5, 1953

an application for membership accompanied the payment.
Dues & Welfare

It was decided that at the Xmas meeting of the Executive Board, all stewards that held office until August, 1953, would be invited to attend.

Also, upon motion duly made & seconded, it was decided the Local Union honor the former Steward Des Stuart and present him with a suitable gift as our token of appreciation for the magnificent job he performed in raising the local union to the position it now maintains. Brother Stuart devoted many long hours during the first years of Trusteeship to our membership, and made a great many personal sacrifices. In addition, ~~to his own personal sacrifices~~, his home life suffered, and no reward would be too great.

The following members were named to the Exp. Laws committee of the Local Union, to prepare by laws for distribution to each member -

A. Longfist, P. Lombardi, J. Porter, G. Kubacki, & J. Candino. In order to assure at least five on the committee at all times, the following were named alternates - Frank Pero, Sam Ray & Joe Flores, the local union trustees.

A report was given on all members who have received, and are receiving sick benefits.

A complete financial report was read and accepted. An explanation was also given on our investment in utility corp bonds, & the interest coupons cashed in each six months.

There being no further business, the meeting adjourned 8:30 p.m.

Fraternally submitted,

A. Longfist - Secretary.

Attest:

A. Kubacki

EXHIBIT No. 15

Bakery and Confectionery Workers' International Union of America

FACTORY BAKERS' UNION LOCAL NO. 100

OFFICE OF THE PRESIDENT AND CORRESPONDING SECRETARY-TREASURER

VOUCHER FOR DISBURSEMENT

check #1237

Date December 30, 19 55

Check Drawn

\$ 13,100.18 and Payable to Teamsters' Joint Council No. 43

mail to --

Robert Holmes,

Teamsters Joint Council No. 43

in payment of Joint

2741 Trumbull

Organization Expenses)

Detroit 16, Michigan (marked personal - airmail)

Approved:



PRINTED IN U.S.A.

SM-452-880-A57-F184

No. 1237

December 30 1955

CHICAGO,

\$ 13,100.18

Teamsters Joint Council No. 43

**PAY TO THE
ORDER OF**

Thirteen-Thousand-One-Hundred and 10/100 - - - - - DOLLARS

W. Carbone

FOR DEPOSIT ONLY
BY
JOINT COUNCIL #43
DETROIT, MICH.

6-26
FEDERAL RESERVE BANK OF CHICAGO
CHICAGO, ILL.
JAN 9 1956

ANY BANK OR BANKER
or pay to the Order of
ANY BANK OR BANKER
Guaranteed

6-26
FEDERAL RESERVE BANK OF CHICAGO
CHICAGO, ILL.
JAN 9 1956

ANY BANK OR BANKER
or pay to the Order of
ANY BANK OR BANKER
Guaranteed

2421

E

YEAR ON PERFORATION

Bakery and Confectionery Workers' International Union of America

1st-2-56-1452-25-128

RECEIPTS

EXPENDITURES

DATE	LOCAL UNION NAME	INTERNATIONAL BOOK NO.	NAME	TOTAL	DUES			INTERNL AND LOCAL ASSETS			FINES	INITIATION FEES	LABELS & MISC.	DATE	NAME TO WHOM PAID AND ARTICLES PAID FOR	AMOUNT
					Months Paid For	Due Stamp Issued \$1.00 \$0.75	Total Amount Paid for Dues	Months Asset Paid For	Amount of Int. Asset	Amount of Local Asset						
			Amount Brought Forward	80											Amount Brought Forward	1311
12/16/55			Amount Brought Forward	80											Amount Brought Forward	1311
1		861414	Isabella Varnier	2		1	2-							12/16/55	Isabella Varnier telegraph	27
2		648414	Catherine La...	2		1	3-								to 25 cents in 70s	27
3		431398	Isabella Varnier	2		1	5-								Health Robinson Ep...	
4		7-1162	Isabella Varnier	6			6-								Red Machine Ep...	10-
5		125214	Isabella Varnier	2		1	3-								100 C 16 x 2 1/2 in. 100	
6		4-1624	Isabella Varnier	2		1	3-								Isabella Varnier for 100 C 16 x 2 1/2 in. 100	100
7		574416	Isabella Varnier	2		1	3-								Isabella Varnier for 100 C 16 x 2 1/2 in. 100	100
8		202920	Isabella Varnier	2		1	3-								Isabella Varnier for 100 C 16 x 2 1/2 in. 100	100
9		2-116	Isabella Varnier	2		1	3-								Isabella Varnier for 100 C 16 x 2 1/2 in. 100	100
10		4-4808	Isabella Varnier	2		1	3-								Isabella Varnier for 100 C 16 x 2 1/2 in. 100	100
11		7-1584	Isabella Varnier	6			6-								Isabella Varnier for 100 C 16 x 2 1/2 in. 100	100
12		7-5616	Isabella Varnier	2		1	3-								Isabella Varnier for 100 C 16 x 2 1/2 in. 100	100
13		456764	Isabella Varnier	2		1	3-								Isabella Varnier for 100 C 16 x 2 1/2 in. 100	100
14		5-4842	Isabella Varnier	6			6-								Isabella Varnier for 100 C 16 x 2 1/2 in. 100	100
15		431401	Isabella Varnier	2		1	3-								Isabella Varnier for 100 C 16 x 2 1/2 in. 100	100
16		419413	Isabella Varnier	2		1	3-								Isabella Varnier for 100 C 16 x 2 1/2 in. 100	100
17		612410	Isabella Varnier	2		1	3-								Isabella Varnier for 100 C 16 x 2 1/2 in. 100	100
18		7-14-16	Isabella Varnier	2		1	3-								Isabella Varnier for 100 C 16 x 2 1/2 in. 100	100
19		7-1581	Isabella Varnier	2		1	3-								Isabella Varnier for 100 C 16 x 2 1/2 in. 100	100
20		11-500	Isabella Varnier	2		1	3-								Isabella Varnier for 100 C 16 x 2 1/2 in. 100	100
21		11-500	Isabella Varnier	2		1	3-								Isabella Varnier for 100 C 16 x 2 1/2 in. 100	100
22		8-12121	Isabella Varnier	2		1	3-								Isabella Varnier for 100 C 16 x 2 1/2 in. 100	100
23		7-14-16	Isabella Varnier	2		1	3-								Isabella Varnier for 100 C 16 x 2 1/2 in. 100	100
			TOTAL	82												

RECEIVED
JAN 1 1956

This above constitutes Receipts and Expenditures of Local Union No. 2421 of City of
 Signature of President *George Stewart*
 SPECIAL TRUSTEE

Signature of Treasurer

For period ending

Signature of Fin. Secretary

19

13

CR3504
CAR INVOICE
NUMBER

DETROIT MICHIGAN
James O. Cross
2741 Trumbull
Detroit 16, Michigan

DATE Dec. 28, 1955

SALESMAN W.B. Campbell

Sales Tax License No 000103

SALESMAN J. D. Campbell		Series FOR LICENSE NO.				
CAR SOLD— TRADE IN—	MAKE	BODY STYLE	YEAR	ENGINE No	SERIAL No	MODEL or SERIES
	Cadillac	Sedan	1956	5660-035635		56-6019
	Kore					

CAR SOLD ☒ NEW ☐ DEMO. ☐ USED WAS TAKEN IN AS A TRADE-IN? ☐ YES ☒ NO

EQUIPMENT AND ACCESSORIES			
GROUP	DESCRIPTION	AMOUNT	
(Line 4)	- White Sidewall Tires, Heater,	841.50	
	Radie, E-Z Eye Glass, Air-Conditioner.		
	/2-Autronic Eye, Fog Lamps,	94.35	
	Dor-Gards, License Frame.		
	Posture Seat Adjuster	<u>74.50</u>	\$1010.35
(Line 5)	Firestone Supreme Tubeless	198.75	
	V/S/W Tire Exchange.	.60	
	W/S Washer Solvent	<u>9.86</u>	209.21
	Pern. Anti-Freeze		
Line 11	Blue Coral	21.00	
	Undercoating	<u>35.00</u>	56.00
REMARKS			

REMARKS

TERMS of TIME CONTRACT

TIME BALANCE DUE (line 21) \$
 (No ☐ WEEKLY ☐ MONTHLY PAYMENTS OF \$
 FIRST PAYMENT DUE

TYPE of INSURANCE - IF ANY

☐ FIRE and THEFT ☐ OTHER
☐ COLLISION Amount Deductible \$
☐ PUBLIC LIABILITY ☐ PROPERTY DAMAGE

TIRE NUMBERS

SERIAL NUMBERS ON Radiator Heater Jar Key 8347 Trunk Key 8347

State of Michigan **WAYNE** | SS
County of |

Dealer License No. **A 1235**

County of Warrick State of Indiana
J. E. Murphy
 is true to the best of his knowledge and belief

Subscribed and sworn to this 28th day of Dec. A.D. 19 55

County of **WAYNE** My Commission Expires **7-7-57**

Genevieve N. Dražić

* **WARNING** THE ABOVE IS APPROVED HEREUNDER BY THE OVER AND TO THE N. L. R. B. BOARD OF COMMISSIONERS TO BE USED IN THE CASE OF THE N. L. R. B. BOARD OF COMMISSIONERS

Receipt of Purchaser's Copy of this Invoice is hereby acknowledged

LICENSE No
14-00000

AT 1842

Branch Stn

See reverse side of purchaser's copy for instructions.

ORIGINAL - White - Secretary of State - Revenue Department
DUPLICATE - Blue - Secretary of State
TRIPLICATE - Green - Dealer's File
QUADRUPLICATE - Pink - Purchaser

EXHIBIT No. 15D

STATEMENT of MOTOR VEHICLE SALE
CADILLAC MOTOR CAR DIVISIONDETROIT BRANCH
GENERAL MOTORS CORPORATION
3001 CARR AVE. 121 3180 E. JEFFERSON AVE. 171
DETROIT, MICHIGAN

CR3505

CAR INVOICE
NUMBERSOLD TO
ADDRESSGeorge Stuart
2741 Trumbull
Detroit 16, Michigan

DATE Dec. 28, 1955

SALESMAN **Jefferson**
W.B. Campbell

Sales Tax License No. 000103

MAKE	BODY STYLE	YEAR	ENGINE No.	SERIAL No.	MODEL or SERIES
Cadillac	Sedan	1956	5660-035156		55-6019
CAR SOLD—	TRADE IN—				

CAR SOLD ☒ NEW ☐ DEMO. ☐ USED WAS TAKEN IN AS A TRADE-IN? ☐ YES ☒ NO

GROUP	DESCRIPTION	AMOUNT	
(Line 4)			
C- White Sidewall Tires, Heater, Radio, E-Z Eye Glass, Air-Conditioner.		841.50	
2/2-Autronic Eye, Fog Lamp, Door-Guards, License Frame, Posture Seat Adjuster		94.35	
		74.50	\$1010.35
(Line 5)			
Firestone Supreme Tubeless W/S/W Tire Exchange.		198.75	
W/S Washer Solvent		.60	
Perm. Anti-Freeze		9.86	209.21
(Line 11)			
Blue Coral Undercoating		21.00	
		35.00	56.00
REMARKS			

TERMS of TIME CONTRACT	TYPE of INSURANCE - IF ANY
TIME BALANCE DUE (Line 2) \$	<input checked="" type="checkbox"/> FIRE and THEFT <input type="checkbox"/> OTHER
No. <input type="checkbox"/> WEEKLY <input type="checkbox"/> MONTHLY PAYMENTS OF \$	<input type="checkbox"/> COLLISION Amount Deductible \$
FIRST PAYMENT DUE	<input type="checkbox"/> PUBLIC LIABILITY <input type="checkbox"/> PROPERTY DAMAGE

TIRE NUMBERS

SERIAL NUMBERS ON

State of Michigan **WAYNE** County of **SS**

J. E. Neahey

Br. Reg. being of a sworn deposes and says that the foregoing information

is true to the best of his knowledge and belief

Subscribed and sworn to this 28th day of Dec. A.D. 1955

County of **WAYNE**M. Commis. Expires **7-7-57**

Genevieve R. Drake

WARNING

Receipt of Purchaser's Copy of this invoice is hereby acknowledged

George Stuart

AT1841

See reverse side of purchaser's copy for instructions

ORIGINAL: White: Secretary of State
DUPLICATE: Blue: Secretary of State
TRIPPLICATE: Green: Dealer's File
QUADRUPLICATE: Pink: Purchaser

RECEIVED
DEC 29 1955
NOTARY PUBLIC
H.G.

EXHIBIT No. 16

Bakery and Confectionery Workers' International Union of America

FACTORY BAKERS' UNION LOCAL NO. 100

OFFICE OF THE PRESIDENT AND CORRESPONDING SECRETARY-TREASURER

VOUCHER FOR DISBURSEMENT

check #1052

Date April 10, 19 56

Check Drawn Cadillac Motor Car Division - Detroit Branch
and Payable to \$ 2,143.27

Gift for James G. Cross

in payment of

Approved:

James G. Cross

PRINTED IN U.S.A.

SM-4-52-880-A-57-F184

AETNA STATE BANK

2-250
710

No. 1652

CHICAGO, April 10 19 56

PAY TO THE
ORDER OF

Cadillac Motor Car Division - Detroit Branch

\$ 2,143.67

Two Thousand and One Hundred Forty-Three and 67/100 - - - DOLLARS

PAID BY CHECK ON 1054100

Anthony J. Lopez

PAY TO ANY BANK OR BANKER
FOR DEPOSIT OR CASH
GIVE TO THE BANKER

230

FEDERAL RESERVE BANK
OF CHICAGO

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FEDERAL RESERVE BANK
OF CHICAGO

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3

Biscuit, Cracker and Candy Workers' Local No. 300

VOUCHER FOR DISBURSEMENT

EXHIBIT No. 16A

IMPROPER ACTIVITIES IN THE LABOR FIELD

3155

DATE April 10 1956

\$ 2143 ⁶⁷ CHECK DRAWN AND PAYABLE TO Local 1143 Cr. Adv., L.C. 300

IN PAYMENT OF gift for

Approved by:

CP

Printed in U S A



SM-10-52-1011-A25

BISCUIT, CRACKER & CANDY WORKERS' LOCAL UNION No. 300

6 North Franklin Avenue, Room 200, Chicago 24, Illinois

No. 2271

277
710

April 10 1956

Cadillac Motor Car Co., Detroit Branch \$2143.67

PAY TO THE
ORDER OF

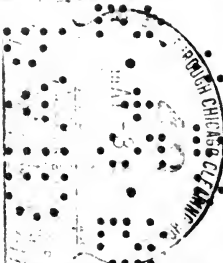
DOLLARS

TO
AMERICAN NATIONAL BANK
AND TRUST COMPANY
OF CHICAGO

Anthony J. Longfort
Secretary-Treasurer



PAY TO ANY BANK OR BANKER
FOR DEPOSIT TO CREDIT OF
GENERAL MOTORS CORPORATION
DETROIT, MICHIGAN
CADILLAC MOTOR CAR CO.
DETROIT, MICHIGAN
DETROIT, MICHIGAN



182

EXHIBIT No. 17

*Bakery and Confectionery Workers' International Union of America***FACTORY BAKERS' UNION LOCAL NO. 100****OFFICE OF THE PRESIDENT AND CORRESPONDING SECRETARY-TREASURER****VOUCHER FOR DISBURSEMENT**Date August 24, 19 55

Ck. No. 14739

Check Drawn
\$ 3,000.00 and Payable to American National Bank and Trust Co.in payment of Cancelling 5 year contract with attorney.1-1-55 - 12-31-59. Contract call for \$300.00 per.

Approved:

Ck. No. 14739

SM-A-52-880-A57-F184

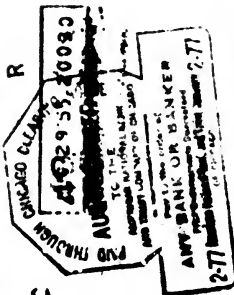
PRINTED IN U. S. A.

FACTORY BAKERS UNION		NUMBER	
LOCAL 100		14738	
8 N. OGDEN AVE.			
		CHICAGO, ILL. August 24th 1955	
		2-438	
		716	
PAY TO THE ORDER OF		AMERICAN National Bank and Trust Company	
		\$ 3600.00	
Thirty Six Hundred and no/100		DOLLARS	
PEOPLES NATIONAL BANK		FACTORY BAKERS UNION LOCAL 100	
OF CHICAGO			
CHICAGO-ILLINOIS			
		<i>George Stuart</i>	
		<i>George Stuart</i>	

George Stuart

✓
P1
NK

CASHED AUG 29 1955



* 60.050.00 *

EXHIBIT No. 18

*Bakery and Confectionery Workers' International Union of America***FACTORY BAKERS' UNION LOCAL No. 100**

OFFICE OF THE PRESIDENT AND CORRESPONDING SECRETARY TREASURER

VOUCHER FOR DISBURSEMENT

Date July 12, 1955

Ch. No. 14009

\$ 195.17

Check Drawn
and Payable to

KRIN Office, Inc.

in payment of

Approved

Ch. No. 14009

KRIN Office

638

OFFICE SUPPLY 375 WEST MONROE STREET CHICAGO 6, ILLINOIS PHONE STATE 2-3460
EQU PRINT
EQU PRINT
EQU PRINT

FINANCIAL SEC. 7

FACTORY BAKERS UNION
LOCAL 100
8 N. ORDEN AVENUE
CHICAGO, ILL.

NUMBER
14609

2-432
716

JULY 12, 1935

PAY TO THE ORDER OF
KRIL OFFICE, INC.

\$ 195.17

One Ninety-Five and 17/100

PEOPLES NATIONAL BANK
OF CHICAGO
CHICAGO-ILLINOIS

FACTORY BAKERS UNION LOCAL 100

Special Transfer

ALBERT J. KRIL

DOLLARS

FACTORY BAKERS UNION LOCAL 100 8 N. OGDEN AVE.		CHICAGO, ILL. July 12, 1955	2.435 710
PAY TO THE ORDER OF HARLO ELECTRICAL SUPPLY CO., INC.		\$ 278.17	
Two Hundred Seventy-Eight and 17/100		DOLLARS	
Peoples National Bank OF CHICAGO CHICAGO-ILLINOIS		FACTORY BAKERS UNION LOCAL 100	F

George Stark
 Special Trustee

8012
 PAY TO THE ORDER OF
 Mid-City National Bank of Chicago
 108
 2

JUL 19 35 3701
 TO THE ORDER OF ANY BANK
 OR OTHER PAYEE

FACTORY BAKERS UNION		NUMBER	14756
LOCAL 100			
8 N. OGDEN AVE.			
CHICAGO, ILL.		2-435	710
Sept. 2nd 1955			
Harlo Electrical Supply Co., Inc.			\$ 188.58
TO THE ORDER OF			
One hundred eighty-eight and 58/100			--- DOLLARS
Peoples National Bank		FACTORY BAKERS UNION LOCAL 100	
OF CHICAGO		Special Treasurer	
CHICAGO-ILLINOIS		F	

PAY TO THE ORDER OF

The Mid-City National Bank of Chicago

HARLO ELECTRICAL SUPPLY CO., INC.

2108

SEP 5 1955

EXHIBIT No. 21

FACTORY BAKERS UNION.

LOCAL 100

8 N. OGDEN AVE.

CHICAGO, ILL. Dec. 16

PAY
TO THE
ORDER OF

L. R. Sohn & Company.

Seven-Hundred-Eighty and no/100

\$780.00

DOLLARS

FACTORY BAKERS UNION LOCAL 100

Peoples National Bank

OF CHICAGO
CHICAGO-ILLINOIS

F

George B. Hart
Special Trustee

EXHIBIT No. 22

Biscuit, Cracker and Candy Workers' Local No. 300

VOUCHER FOR DISBURSEMENT

DATE

19

470⁰⁰ CHECK DRAWN
AND PAYABLE TO J. C. Barker

IN PAYMENT OF presentation, med v. 1

Approved by

J. Barker

BISCUIT, CRACKER & CANDY WORKERS' LOCAL UNION No. 300
 66 North Dearborn Avenue, Room 200, Chicago 24, Illinois

PAY TO THE ORDER OF
AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO

TO
AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO

FOR DEPOSIT ONLY
LA SALLE NATIONAL BANK
CHICAGO, ILL.

DATE June 14, 1954
AMOUNT \$470.25
IN WORDS FOUR HUNDRED SEVENTY DOLLARS AND 25 CENTS

SIGNATURE *L. R. Sohn & Co.*
SECRETARY/TREASURER *Anthony J. Caporale*

NO. 000000
2-77
710

PAY TO THE ORDER OF
LA SALLE NATIONAL BANK
L. R. SOHN & CO

LA SALLE NATIONAL BANK
CHICAGO, ILL.
2-50

LA SALLE NATIONAL BANK
CHICAGO, ILL.
2-50

LA SALLE NATIONAL BANK
CHICAGO, ILL.
2-50

FACTORY BAKERS UNION LOCAL 100 8 N. OGDEN AVE.		NUMBER 14152
CHICAGO, ILL. February 4, 1935		2-435 710
M. HYMAN & SON		\$ 450.00
Four Hundred-Fifty and no/100		DOLLARS
Peoples National Bank OF CHICAGO CHICAGO-ILLINOIS		F <i>George Stuart</i> Special Trust (S) CLERK & SECRETARY TREASURER

PAY TO THE ORDER OF
LA SALLE NATIONAL BANK
 2-50 CHICAGO, ILLINOIS 2-30
M. HYMAN & SON
 ORDER BY *La*
 SIGNED BY *per*
 DATE *Feb*
 SERIAL NO. **76903**

CHICAGO CLEARING HOUSE
 FEB 10 1935
 LA SALLE NATIONAL BANK
 CHICAGO ILL

PAY TO THE ORDER OF
 ANTIBANK OR BANKER
 LA SALLE NATIONAL BANK
 CHICAGO ILL
 2-50

EXHIBIT No. 24

*Bakery and Confectionery Workers' International Union of America***FACTORY BAKERS' UNION LOCAL No. 100**

OFFICE OF THE PRESIDENT AND CORRESPONDING SECRETARY TREASURER

VOUCHER FOR DISBURSEMENTONE HUNDRED DOLLARS
PAID TO

A. J. [illegible]

A. J. [illegible]

AETNA STATE BANK

1320

No.

January 30

CHICAGO.

Restano, Inc.

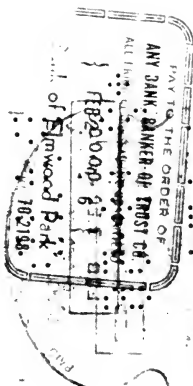
PAY TO THE
ORDER OF

Five-Hundred-Thirty-Nine and 32/100

DOLLARS

1956

\$ 539.32

*Will deliver 22 cc**William J. Clark*

RESTANO INC
 182000.83
 10/21/56

EXHIBIT No. 25

[illegible]

TO THE

Bakery and Confectionery Workers' International Union of America

George Stuart
TO
mail to Bank

For Period Oct 2nd to Oct 2nd

City and State Chicago, Ill

The following expenses were incurred through service in the interest of

(Provide supporting bills where obtainable)

Men's

For 7 days while traveling

ACKNOWLEDGMENT

Miscellaneous Expenses

Telephone: Long Distance \$ <u>Cell service 27.75</u>	Local \$ <u>1.20</u>	Total	✓ <u>29.65</u>
Limousine \$ <u>230.25</u>	Cab Fares \$ <u>90.26</u> <u>LS yes</u>	Total	<u>226.51</u>

Miscellaneous Expenses

Telephone: Long Distance \$ Gulf embroed 27.75
Limousine \$ 2.50 - 3.50

Local \$ 1.20	} Total ✓ 29 65
Fores 22 65	

Cash payment - Air Ticket # 12604 - for baggage to Portland 61 82

Misc. expenses Chicago 46⁹² LA 15¹⁵ Portland 55⁵⁵ LA - mac - Put King 51⁵¹ } 174.05

7 Days Incidental Expenses

Transportation (Check means of transportation)

From	PAYMENT APPROVED		Via Air	Via R.R.	Via Auto	MILES	Per Mile	Round Trip
Chicago Ill	✓		✓					✓
Los Angeles Calif	✓		✓					✓
Portland Ore	✓		✓					✓
Los Angeles Calif	✓		✓					✓
ADDITIONAL		CHECK NO.						
11/21/40								

Speedometer Reading - Start 33254

Speedometer Reading—Start Period

ORIGINAL—To be forwarded to the President at the close of each week

21 APR 7 24 1974 ADT F36

EXHIBIT No. 26

in conditions before and on back of front, which are hereby agreed to

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EXHIBIT No. 28A

PAY ROLL ACCOUNT

NO. 13261

Date May 13, 1955

EXACTLY \$7,122.60

George Stuart

To the First National Bank of Chicago
CHICAGO ILLINOIS

2715 NORTH WILSON AVENUE CHICAGO, ILL. 60640

RECEIVED
MAY 19 1955
FIRST NATIONAL BANK
CHICAGO, ILL.

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NOTICE — THIS CHECK IS VOID IF ALTERED
IF INCORRECT RETURN FOR CORRECTION

ENDORSEMENTS

THIS CHECK IS HEREBY ACCEPTED BY THE PAYEE IN FULL
PAYMENT OF THE ACCOUNT AS STATED ON STUB OF CHECK
NO OTHER RECEIPT IS NECESSARY

George Stuart

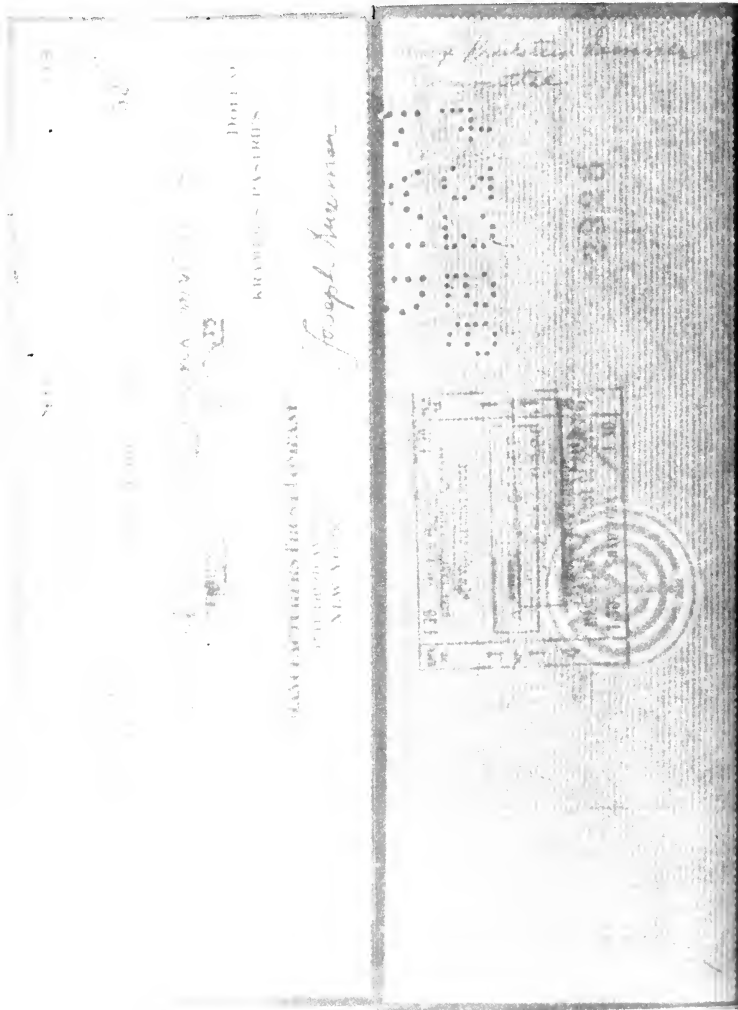


EXHIBIT No. 32

September 10, 1956

Bakery and Confectionery Workers'
International Union of America, Local No. 3
29-28 41 Avenue
Long Island City, 1, N.Y.

Re: First Anniversary Celebration
Att: Frank Dutto, Chairman
Harry Rubenstein, Secretary

Dear Sirs:

Pursuant to your instructions we have audited the books and records of the First Anniversary Celebration of Bakers Union, Local No. 3. Our Examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and other auditing procedures as we considered necessary in the circumstances.

This report consists of:

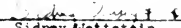
1. A Statement of Receipts and Disbursements from January 1, 1956 to August 29, 1956.

COMMENTS

In addition to the \$818.94 of Cash in Bank there is still due from Aslo Bakery the sum of \$50.00 which is in the process of being collected.

In our opinion the enclosed Financial Statement fairly presents the results of the operations of the first anniversary celebration of Bakers Union Local No. 3.

Respectfully submitted,



Sidney Wettstein
Certified Public Accountant

b:b

BAKERY & CONFECTIONERY WORKERS' INTERNATIONAL
UNION OF AMERICA, LOCAL NO. 3
FIRST ANNIVERSARY CELEBRATION OF BAKERS
UNION LOCAL NO. 3
STATEMENT OF CASH RECEIPTS & DISBURSEMENTS
FOR THE PERIOD FROM JANUARY 1, 1956 TO
AUGUST 29, 1956

INCOME

Sale of Tickets	\$ 33,825.00
Income from Souvenir Journal	51,645.00

Total Income \$ 85,470.00

DISBURSEMENTS

Printing and Stationery	310.34
Banquet Expense	17,963.26
Postage	30.00
Portrait for Guest of Honor	1,447.21
Gift to Guest of Honor	57,000.00
Gift to Guest of Honor's Wife	1,650.00
Printing of Journal	6,250.00
Bank Charge	.25

Total Disbursements 94,651.06

Balance, Cash in Park, August 29, 1956	\$ 818.94
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Received Sept 4 1936 Mr. H. K. ... 250.00
received from ... \$50.00

Found out Sept 23, 1976 by J. A. Martin. 61894

Harry Levinson
Secy

EXHIBIT No. 33

BAKERS UNION LOCAL No. 37
1040 S. Grand

NO 28831

18-236
1223

19

\$ 5.00

PAY TO THE ORDER OF

FIGUEROA-11TH BRANCH 16-236

Bank of America
NATIONAL CREDIT ASSOCIATION
1100 South Figueroa Street
LOS ANGELES, CALIFORNIA

BAKERS UNION LOCAL No. 37

By John D. Nelson Secretary

By John D. Nelson Treasurer

DOLLARS

John D. Nelson

John D. Nelson

4

EXHIBIT No. 43

BANKERS TRUST COMPANY

433 PARK AVENUE, NEW YORK, N. Y.

No. 2077

1-103
210

Oct 31

NEW YORK

1918

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TO THE
ORDER OF

Cashier Henry

Three thousand eight hundred and eighty seven

\$3080.87

DOLLARS

COOPER, OSTLIN & DEVARCO, SPECIAL TWO

Per Cash

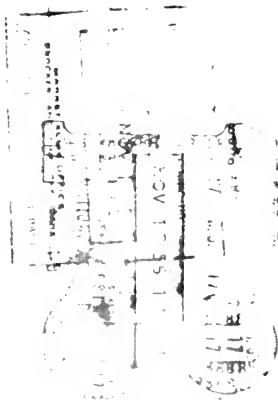
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Herman C. Cooper

NEW YORK, N. Y.

433 MADISON AVENUE

COOPER, OSTLIN & DEVARCO



BANKERS TRUST COMPANY

455 PARK AVENUE, NEW YORK, N. Y.

1-103
210

NEW YORK, Oct 31,

PAY TO THE
ORDER OF

Leah C. Heller

Three thousand fifty and 00/100

DOLLARS

COOPER, OSTLIN & DEVARCO NER. AL. TWO

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Rev. Stuart

COOPER, OSTLIN & DEVARCO
455 MADISON AVENUE
NEW YORK, N. Y.

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BANKERS TRUST COMPANY

455 PARK AVENUE, NEW YORK, N. Y.

NEW YORK

PAY TO THE
ORDER OF

Sheraton Palace

Prothman & Co. 58

DOLLARS

COOPER, OSTRIK & DEVARCO, SPECIAL TWO

14

Hyman & Co.

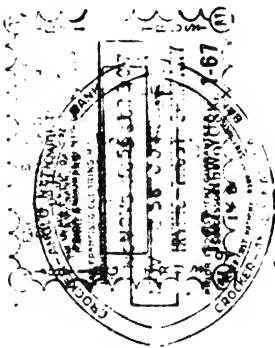
John v. Long

1103
210

1052

\$1062.43

PAY TO THE ORDER OF
CROCKER FIDELITY & SURETY COMPANY
SHERATON HOTEL
SHERATON PALACE CORPORATION



BANKERS TRUST COMPANY

455 PARK AVENUE NEW YORK, N. Y.

NEW YORK

PAY TO THE ORDER OF

Fairmont Hotel
Banker's Trust Co. of New York

DOLLARS

COOPER, OSTLIN & DEVARCO, SPECIAL TWO

14

COOPER, OSTLIN & DEVARCO
655 MADISON AVENUE
NEW YORK, N. Y.

No 2086

1-103

210

1926

\$1489.74

RECEIVED FROM THE
FAIRMONT HOTEL

Keyman & Large

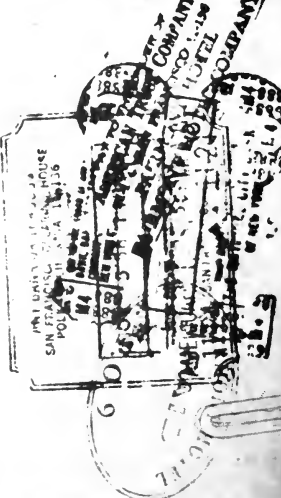


EXHIBIT No. 47

CONFIRMATION COPY TO BE MAILED

OCT 1 26 PD

C O P Y

JAMES G CROSS

1145 19TH ST NORTHWEST WASHDC

STRIKE PERMISSION REQUESTED FOR ZION INDUSTRIES

ZION ILLINOIS 120 MEMBERS INVOLVED STRIKE VOTE TAKEN

SATURDAY SEPTEMBER 29TH 101 VOTED IN FAVOR OF STRIKING

EIGHT AGAINST FRATEERNALLY

ANTHONY J CONFORTI LOCAL UNION 7

EA 7 4300 SUB ANTHONY J CONFORTI LOCAL UNION 1

BAKERY AND CONFECTIONERY WORKERS LOCAL UNION ONE

2719 NORTH WILTON AVE PD COPY HI

EXHIBIT No. 48

Pastry and Confectionery Workers'
of International Union of America



October 5, 1956

Local 1

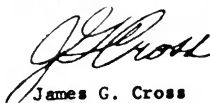
Anthony J. Conforti, President
2719 North Wilton Avenue
Chicago 14, Illinois

Dear Sir and Brother:

The General Executive Board has acted on your request for strike permission for Local Union 1, Chicago, Illinois, against Zion Industries, Inc.

This matter has been referred to Vice President Stuart. Be guided by his advice and direction.

Fraternally yours,



James G. Cross
President

JGC/Cfc

cc: Vice President Stuart

You are hereby clothed with strike permission for Local 1 against the above named to be released by you if final adjustment efforts fail and you have determined that the Local Union is in full compliance with all federal and/or state regulations.

EXHIBIT No. 51

Bakery and Confectionery Workers -

PAYROLL ACCOUNT

OFFICE OF THE GENERAL SECRETARY-TREASURER

VOUCHER FOR DISBURSEMENT

Date Sept 26, 1955

500.00	Check Drawn
	- and Payable to

J. G. Cross

in payment of
Regional
Oregon,
Conference to be held in Portland
October 4th and 5th, 1955

Approved:

5M 6.55 2030 A527 F184

PAYMENT APPROVED

11

100

PASSENGER TICKET
AND BAGGAGE CHECK
AGENT'S COUPON

ISSUED BY
AMERICAN AIRLINES, INC.
Subject to Conditions of Contract on Page 2

014 B

577845

BAKERY AND CONFECTIONERY WHOLESALE
INT'L UNION OF AMERICA

SEP 30 1955

Wash DC

Wash DC

444444
Denver 11/6/50
Oklahoma City
Dallas

444444
Dallas 11/6/50
Oklahoma City
Denver

444444
Dallas 11/6/50
Oklahoma City
Denver

444444
Dallas 11/6/50
Oklahoma City
Denver

WASHINGTON, D. C.

ATP #18652

NOT GOOD FOR PASSAGE

Wash DC

Denver

Portland Ore

Los Angeles

Wash DC

UAL 747 10/3 13⁰⁰ OK

UAL 649 10/3 5¹⁵ OK

UAL 635 10/5 6¹⁰ OK

AAL 12 10/6 9³⁵ OK

AM

BAGGAGE

UNIT

FARE

CLASS

BASE

ENDORSEMENTS

F F F F

30310

3031

33341

18652

NAME OF PASSENGER

James G. Cross

DATE OF ISSUE

1955

EXHIBIT No. 53A

Bakery and Confectionery Workers' International Union of America

PAYROLL ACCOUNT

OFFICE OF THE GENERAL SECRETARY-TREASURER

VOUCHER FOR DISBURSEMENT

Date Nov. 14, 1955, 19

\$ 1,000.00 Check Drawn James G. Cross
and Payable to

in payment of Expense advance for

A.F. of L. - C.I.O. Convention.
November 28 - 1955
Statler Hotel, New York.

Approved:



11789 ✓

EXHIBIT No. 53B

Bakery and Confectionery Workers' International Union of America

PAYROLL ACCOUNT

OFFICE OF THE GENERAL SECRETARY-TREASURER

VOUCHER FOR DISBURSEMENT

Date *February 2-19*

Check
Drawn
and Payable to

*PAID TO THE ORDER OF
AMERICAN UNION*

DATE

in payment of *check*

for

CHECK NO.	233
-----------	-----

Approved:

EXHIBIT No. 53C

Bakery and Confectionery Workers' International Union of America

PAYROLL ACCOUNT

OFFICE OF THE GENERAL SECRETARY-TREASURER


VOUCHER FOR DISBURSEMENT

\$ _____ Check Drawn and Payable to Amalgamated Food Workers Union Date Dec. 17, 1955

in payment of expenses of Payment Approved by Committee
Nov 28-30 1955
officers etc New York

Approved:

Advance \$500.00
 balance 677.48
 balance and 1827.55

PAYMENT APPROVED 	
AUDITED BY:	CHECK NO.

PRINTED IN U.S.A.

SM-10-51-711-4184

Bakery and Confectionery Workers' International Union of America

PAYROLL ACCOUNT

OFFICE OF THE GENERAL SECRETARY-TREASURER

VOUCHER FOR DISBURSEMENT

Date Dec 17 19 33

Check Drawn
and Payable to Arthur C. [illegible]

\$

in payment of General Payment APPROVED

Every [illegible] [illegible] [illegible]
Warrant [illegible] [illegible] [illegible]

Secretary, [illegible]
Treasurer, [illegible]
[illegible]

Approved.

[illegible]
[illegible]
[illegible]
[illegible]
[illegible]

UNION BUREAU

SM 10-51-711 F184

Bakery and Confectionery Workers' International Union of America

PAYROLL ACCOUNT

OFFICE OF THE GENERAL SECRETARY-TREASURER

VOUCHER FOR DISBURSEMENT

Date Dec 12, 1935Check Drawn
and Payable toGen Secy Treas\$ 121.67
in payment of expenses of 1st PAYROLL ACCOUNT PROVED
U.S. delegate & record expenses on 12-9-35
\$ 121.67 for 12-9-35Expenses 659.60
Income 537.93
Balance due 791.67

Approved:

GEN SECY TREAS

CHECK NO.

449

AUDIT

SM-10-51-711-F104
22167

EXHIBIT No. 53F

Bakery and Confectionery Workers' International Union of America

PAYROLL ACCOUNT

OFFICE OF THE GENERAL SECRETARY-TREASURER

VOUCHER FOR DISBURSEMENT

Date November 20

19 55

Check Drawn and Payable to Big Ten Club of Southern California

\$ 214.50

in payment of 22 tickets Big Ten game

Approved

PAID IN FULL APPROVED

DATE

97

W 6 55 2030 AX27 F144

EXHIBIT No. 55

9 CROSS J 6 146 70 31 00
 WASH D C 1-2 MYE VNS T 55 R Guest Account
 BONT F R 92473 1/2 CAL Hotel Statler, New York

DEC-2-55	FWARD	*429.69	
DEC-2-55	LOPHN ****	* 0.32	* 430.01
DEC-3-55	RESTN	* 3.23	* 433.24
DEC-3-55	CHCAC	* 1.00	* 434.24
DEC-3-55	RESTN	* 8.45	* 442.69
DEC-3-55	RESTN	* 4.41	* 447.30
DEC-3-55	RESTN	* 4.35	* 451.65
DEC-3-55	VALET	* 3.00	* 454.65
DEC-3-55	ROOM ****	* 31.00	
DEC-3-55	MISC. **** TAX	* 1.55	
DEC-3-55	LOPHN ****	* 0.32	* 487.52
DEC-4-55	ROOM ****	* 31.00	
DEC-4-55	MISC. **** TAX	* 1.55	* 520.07
DEC-4-55	RESTN ****	* 17.98	
DEC-4-55	RESTN ****	* 15.35	* 583.40
DEC-5-55	L'DIST	* 48.18	* 601.58
DEC-5-55	L'DIST	* 7.76	* 609.34
DEC-5-55	L'DIST	* 26.02	* 635.36
DEC-5-55	L'DIST	* 5.72	* 641.28
DEC-5-55	ROOM ****	* 31.00	
DEC-5-55	MISC. **** TAX	* 1.55	
DEC-5-55	LOPHN ****	* 0.16	* 673.99
DEC-5-55	MISC.	* 0.00	* 673.79
DEC-6-55	FWARD	*673.79	* 840

Telephone Charges include Federal Tax

If required, we suggest you retain this statement for Income Tax purposes.

Q 94859

We appreciate your patronage, and trust you found our service entirely satisfactory. If not, please favor us by telling the Assistant Manager before you leave.

CROSS J G 140 0 31 00

WASH DC 12/0 1 1 55

WR FR 97067 12/1 1 55

DEC-9-55

DEC-9-55 RESTA

DEC-9-55

FWARD

L'DIST

Guest Account

Hotel Statler, New York

*964.06

* 5.95

* 3.30

* 964.06

* 970.01

* 973.31

We appreciate your patronage, and trust

We appreciate your patronage, and trust
your service is entirely satisfactory.
If not, please favor us by telling the
Assistant Manager before you leave.

Q 99115

EXHIBIT No. 55A

.69/70 NK

Guest Count

Hotel Statler, New York

*957.00 1-1/2

NK FR 98355 12/1 DEC 1955

FWARD

*130.13

* 130.13

Charges include Federal Tax

In addition, we suggest you retain this
statement for Income Tax purposes.

Q

99113

We appreciate your patronage, and trust
you found our service entirely satisfactory.
If not, please favor us by telling the
Assistant Manager before you leave.

EXHIBIT No. 57A

Bakery and Confectionery Workers' International Union of America

PAYROLL ACCOUNT

OFFICE OF THE GENERAL SECRETARY-TREASURER

VOUCHER FOR DISBURSEMENT

Date *June 1, 1936*

Check Drawn
and Payable to *Amalgamated*

\$ *4.20*

in payment of *Payroll* **PAYMENT APPROVED**

Approved: *[Signature]*

[Signature]

SM 10-3-11-104

EXHIBIT No. 57B

Bakery and Confectionery Workers' International Union of America

PAYROLL ACCOUNT

OFFICE OF THE GENERAL SECRETARY-TREASURER

VOUCHER FOR DISBURSEMENT

Date March 14, 1936

\$ 539 ⁶³/₁₀₀ Check Drawn and payable to James S. Cross
 PAYMENT APPROVED

in payment of Expense for week of March 1-5 H. H. meeting
 on Palm Beach, Cleveland employees \$19 of which
 Entertainment, Danmore, Western Hospital, Hugh James, etc.

Approved:

APPROVED BY	BOOK NO.
<i>[Signature]</i>	1155

TO THE

Bakery and Confectionery Worker's International Union of America

Statement of George Stuart For Period 2/5- to _____
 Mail Check to _____
 Address 1145-19 St N.W. City and State _____

The following expenses were incurred through service in the interest of:

Level Number	CITY AND STATE	Number of Days	From	To

(Provide supporting bills where obtainable)

Meals		City and State		PAYMENT APPROVED	
Miami Fla.				DATE	
H. E. B.				TREAS.	
				CHECK No.	

Miscellaneous Expenses

Telephone: Long Distance \$_____

Limousine \$	Cab Fares \$	Total
--------------	--------------	-------

Instructed by J. H. Case. Release to the Nelson	60	00
---	----	----

Handwritten musical notation on a staff, including notes and a large 'M' marking.

Wired to L.A. strike action. 200 00

Cost of Wire, 1 lb.	4	02
---------------------	---	----

See Cross - Public relations - Michigan Public Health Service JN. 194. 87

(Transfer and various external checks)	Total Expenses	458.91
--	----------------	--------

	7 Days	8-14 Days	15-30 Days	Total
7 Days Incidental Expenses				

From		Transportation (Check means of transportation)				MILEAGE		One Way	Round Trip
DATE		Via Air	Via R.R.	Via Auto					
PRESIDENT									
GEN. SECY. TREAS.									
ADDITIONAL BY:									
CHECK NO.									
3880		Local Auto Mileage					Miles		
		Total Mileage					Miles		

Speedometer Reading—Start Period _____ End Period _____

ORIGINAL _____

ORIGINAL—To be forwarded to the President at the close of each week

EXHIBIT No. 60

Bakery and Confectionery Workers' International Union of America

PAYROLL ACCOUNT

OFFICE OF THE GENERAL SECRETARY-TREASURER

VOUCHER FOR DISBURSEMENT

Date _____, 19____

Check Drawn
and Payable to _____

\$

in payment of _____

Dinner
_____ 19____ (Personal)

Approved: _____

PAYMENT APPROVED

DATE

AUDITED BY: _____

CHECK NO. _____

EXHIBIT No. 60A

PAYMENT APPROVED

Bakery and Confectionery Workers' International Union of America

PAYROLL ACCOUNT

OFFICE OF THE GENERAL SECRETARY-TREASURER

VOUCHER FOR DISBURSEMENT

Date June 10, 1936Check Drawn
and Payable to John J. ...

\$

in payment of ...

Approved:

EXHIBIT No. 63

Bakery and Confectionery workers' International Union of America

PAYROLL ACCOUNT

OFFICE OF THE GENERAL SECRETARY-TREASURER

VOUCHER FOR DISBURSEMENT

Date *April 22*, 19*36*

Check Drawn
and Payable to

Samuel D. ...

\$ *51.00*

in payment of

Exp. for ... of ...

DATE

15.7.23.

Approved:

U.M.W. 10-51 711 F184

PRINTED IN U.S.A.

2674

Bakery and Confectionery Workers' International Union of America

PAYROLL ACCOUNT

OFFICE OF THE GENERAL SECRETARY-TREASURER

VOUCHER FOR DISBURSEMENT

Date February 11, 1937

Check Drawn James G. Cross
and Payable to \$ 500.00

in payment of advance expenses for Glass Bottle Blowers Convention,
St. Louis, Mo., March 7-9, 1937.

PAYMENT APPROVED

DATE

Approved:

CH. A. P.

12224

EXHIBIT No. 77

BAKERY & CONFECTIONERY WORKERS INTERNATIONAL UNION
OF AMERICA

|| April 23, 1952 ||

Local 100

Gilbert Mann, President
8 North Ogden Avenue
Chicago, Illinois

Dear Sir and Brother:

We have reviewed the manner in which records of the receipts and disbursements of your local union are recorded as well as your filing system and wish to advise as follows:

Regarding the manner in which your receipts are recorded on the daybook pages, the system that you have is practical which consists of submitting to the business agent a list of members of the various shops showing dues which are due. The business agent in turn receives these payments and gives them to the secretary of your local union showing thereon the amount collected from the members and signs same. All of this is then recorded on the daybook pages and from these pages postings are made to each member's account which comprises loose leaf ledger sheets. These sheets are then placed in binders for the various shops thus making a complete reference and since the sheets are in alphabetical order, postings thereto from the daybook pages are readily made.

The manner in which you record members on retiring cards is commendable, and those members who have been expelled for non-payment of dues are likewise efficiently filed. The receipts and membership records are kept in very good order and thereby an easy and accessible reference can be made whenever the occasion arises.

Receipts which are turned over from the secretary to the treasurer which amounts when turned over to the treasurer are signed for in a book by the secretary and then are deposited in your bank, is a very good procedure. We wish, also, to mention that by your checking the bank statement at the end of the month with each deposit recorded thereon in your treasurer's book is likewise commendably done.

-2-

The method of recording disbursements on the disbursement side of the treasurer's book together with the check number, is correct. However, upon examining the invoices received for purchases it was noted that no officer has approved them for payment and in many instances payments are made for which no voucher has been issued. There are no notations on any of the bills that have been paid as to the receipt of materials ordered. This procedure should be remedied at once which can be done in the following manner and is the correct business procedure to be strictly carried out.

For each and every check that is issued, either an invoice or a voucher with detailed explanation should be approved by an officer. All merchandise should be checked, in order to verify receipt of quantities as ordered and the person receiving it should sign their name on the invoice.

No checks should be issued for pre-payment of salaries which has been done heretofore. One payroll voucher should be issued each week showing all the names of employees and on which the check numbers can be placed along side of their names. This too, is to be approved by the officer before the check is issued. The check numbers on all invoices as well as vouchers are to be recorded on the face of them. All disbursements that are made by your local union each month are to be filed in check number order and filed monthly so as a ready reference can be made whenever desired to a particular invoice which can be handled with ease and save considerable time in locating. This procedure in turn will assist the auditors by having this information handy.

Inasmuch as your week ends on a Friday all salaries should be payable to all employees on this day. In the case of employees that do not visit your office on a Friday, their checks can be mailed to them so they receive them on the following day.

Regarding the cash in your bank, both as to the checking account and the strike fund account, this is far in excess than the current requirements of your local union and therefore we recommend that investments of some of these funds be made in high grade bonds so you will have this money working for your local union.

-3-

Regarding the safety deposit box in your bank wherein the securities are kept, we strongly suggest that two or more of the officers of your local union be present at the time of deposits or withdrawals of securities. It is also suggested that such authorized officers be the only ones that have access to the box with at least two in attendance.

In regard to keeping of records, we wish to advise that no records be destroyed, neither the record to or from disbursements, so that at some future date such a check could be made; they can be produced. In the event that such records become bulky you can warehouse them.

All expenditures at the end of the month should be run off at your meeting for approval and should be included in the minutes as being approved following the close of the month. No expenditures outside of the regular routine ones should be made without first securing the approval at your executive board and/or at your membership meeting and such approval should be stated on the invoice received or on the voucher before a check is issued.

Should you desire any further information do not hesitate to call upon us. With kindest regards and best wishes, we remain

Faternally yours,

(signed)

J. G. Cross
General Secretary-Treasurer

JGC/Pbb

EXHIBIT No. 79



ZION INDUSTRIES, INC.

ZION, ILLINOIS

MARTIN M. PHILIPSBORN, JR.
CHICAGO, ILL.

January 21, 1947.

Mr. Peter M. Gannon,
Financial Secretary-Treasurer,
Candy Confectionery Company, International Union,
Local No. 1,
419 North Dearborn Ave.,
Chicago 14, Ill.

Dear Mr. Gannon:

It is nice to hear from you last night and to find, as you know, I was leaning for New York to get the same thing. This is the first opportunity I have had to tell you about the money you raised.

First of all, I am very grateful to you and to the Union and to the Zion Industries for the contribution you have made with the condition of aid from the International Union of Candy Confectionery. The details are as follows, as taken directly from the memorandum:

1. The help of that extended to the Union in 1946 and 1947 for the first time was \$10,000.00.
2. On January 1, 1947, the Union and Zion Industries agreed to execute a contract for a 12-month period, the first of which was for the year 1947. On January 1, 1947, the Union agreed to pay the Zion Industries the sum of \$10,000.00. This new contract was signed by the Union and the Zion Industries on January 1, 1947. The Zion Industries have agreed to pay the Union the sum of \$10,000.00 for the year 1947. The Zion Industries have agreed to pay the Union the sum of \$10,000.00 for the year 1947.

The names of the Union and the Zion Industries, and the date of the memorandum, are contained in the enclosed document, which was in possession of my father at the time he was killed. I have initialed the document as follows:

ZION INDUSTRIES INC.

Journal of Management Studies, 19(6), 701-718.

Consequently, my opinion as to the responsibility you owe to me, it would amount to a mere technicality. I am content to let what has to be done, be done, and to let what has not been done, be left alone.

[illegible]

When I returned to New York with the basic memorandum, I had the enclosed and the four agreements, we all signed and then decided to enroll the matter in the State Department. As I recall our discussion, we were going to talk about the last part of Article 10, the question of how to raise other questions, that is to say, a question of how to raise it.

In this connection, however, I note from your letter of 10/11/54 that you have in mind only one of his own personal relationships to the world in the family that is so. If you can persuade him to give up his present position you would do it because it is only that people would like to be what it is to join the family. It is not to make it even more difficult to persuade him to do so. If you insist on it, I think I fear that we will lose the relationship and you will lose a lot of potential future children.

I received you on the 14th inst. morning, this review, I
 have a conversation of 15 minutes and I should be able to draw
 up the contract, at it should enforce the provisions within the
 next 24 H. S.

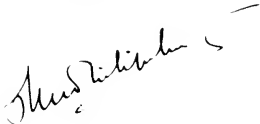
-ZION INDUSTRIES, INC.

Page 3 - 7.11.7.

I am sending this letter to you in duplicate. I also want you to give a copy to Mr. Bonfanti who spoke to me about the contract in the presence of Mr. Trust.

With very kind regards and regards,

Yours sincerely,



FP:Jeter

encl

EXHIBIT No. 88A

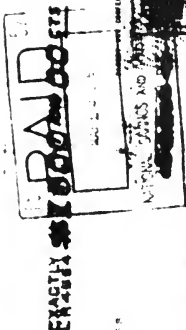
PAY ROLL ACCOUNT

Bullock and Company, Wholes International Union of America

No. 4842

May 18, 1956

\$ 2500.00



145205
To the National Savings and Trust Company
WASHINGTON 5 D C

NOTICE — THIS CHECK IS VOID IF ALTERED
IF INCORRECT RETURN FOR CORRECTION

ENDORSEMENTS

THIS CHECK IS HEREBY ACCEPTED BY THE PAYEE IN FULL
PAYMENT OF THE ACCOUNT AS STATED ON STUB OF CHECK
NO OTHER RECEIPT IS NECESSARY

James H. Cross

Bakery and Confectionery Workers' International Union of America

1145 NINETEENTH STREET, N. W. WASHINGTON

PAY ROL ACCOLUT

No. 6997

Quarterly - P. 1934

EXACTLY \$15.00

EW 4834

James G. Grace

PAID TO THE ORDER OF

UNITED STATES DEPARTMENT OF LABOR

[Signature]

NATIONAL SAVINGS AND TRUST COMPANY
WASHINGTON, D. C.

145205

To the National Savings and Trust Company

WASHINGTON, D. C.

1145

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IF INCORRECT RETURN FOR CORRECTION

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[Signature]

AUG 10 1934

ANY BANK BANKER OR OTHER
PERSON TO WHOM THIS CHECK IS
PRESENTED FOR CASHING
OR DEPOSIT MUST SIGN
THIS CHECK

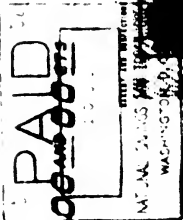
EXHIBIT No. 88C

Bakery and Confectionery Workers' International Union of America
 1145 NINTH ST. N. W. WASHINGTON, D. C.

FAY ROLL ACCOUNT

No. 575

Date Oct. 1, 1934



James O. Cross

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To the National Savings and Trust Company

WASHINGTON, D. C.

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EXHIBIT No. 88D

PAY ROLL ACCOUNT

N^o 10313

Date

\$ 250.00

PAID

EXACTLY \$1800.00 CTS

NATIONAL SAVINGS

W.A.C. 111

CHECKS ARE CASHED BY MEMBERS INTERNATIONAL UNION OF AMERICA



[Handwritten signature]
[Handwritten signature]

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To the National Savings and Trust Company

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Bakery and Confectionery Workers' International Union of America

EXHIBIT No. 88E

Bakery and Confectionery Workers' International Union of America

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N. 113

Check

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EXACTLY \$514.54 AND 00 CTS
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JAMES G. MOSS

NOV 13 1920

NATIONAL SAVINGS AND TRUST
WASHINGTON, D. C.



[Handwritten signatures]

145205
To the National Savings and Trust Company
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RECEIPT

Bakery and Confectionery Workers' International Union of America

1115 Nineteenth St., N. W. • Washington 6, D. C. • Phone District 7-9450

July 1, 1957

DEAR FELLOW MEMBER:

Before we get fully and frankly all questions from the McClellan Committee about my testimony as President of our Union, I did not hide behind the Fifth Amendment or conceal the truth.

As expected, a hostile and anti-labor press twisted, distorted and mangled my testimony. They were supported by a propaganda machine illegally financed by unaccounted Union funds, and by a self-styled "integrity committee." This group still accepts union pay while neglecting their union duties. If they had more "integrity" and less hunger for power they would refuse the union pay which is neither earned nor deserved.

For months these self-righteous and hypocritical enemies of the Union have promised that the McClellan Committee hearing would destroy me and force my resignation or removal. They hoped that what could not honestly be accomplished by them with the rank and file membership would be achieved through outside forces, acting with questionable motives.

After days of testimony, in which facts and documents answered and overcame rumor and suspicion, Chairman McClellan very correctly left my future fate to the Union membership. That is where it rests and will remain—not in the public press—not with outsiders—not in the hands of those who seek control of the Union regardless of cost to the membership.

Inspired and helped by these disrupters, the McClellan staff investigated every activity of our Union, its officials and its records, both on a local and national level. I, too, was examined and testified under oath.

In spite of irresponsible newspaper predictions the actual charges of misconduct leveled against me as your President were inconsequential. I was blamed for excessive expenses in 1956. This was the year of our Convention and a period of major activities, negotiations, organizing and expansion of our National Welfare and Pension programs. The suspended Secretary-Treasurer testified that he had approved and cleared each of my vouchers without protest. The General Executive Board likewise approved. Our Union was satisfied even if outside critics found fault.

I was charged with unorthodox methods of organizing Van de Kamp and Golden Crust by employing a special woman organizer. Our Union is interested, not in the scandal headlines, but in the fact that these major anti-union employers were finally brought into line after years of costly failure.

I was falsely charged with making personal loans from an employer in exchange for favors. The claim was that Zion Industries, Inc., an employer of about 200 biscuit and candy workers,

(over)

and owned by New York University, made and gained from these loans at a price to the membership. My borrowings, all fully repaid with interest, were openly and honestly made. Despite intense searching by the McClellan investigators, they could not demonstrate any connection between these personal loans and the Company. Nor could they show any benefit to Zion Industries, Inc. The simple answer is there was no such sell-out as my enemies have recklessly accused.

Our Union deals with thousands of employers. If I were the kind of union leader who sold out his membership for personal gain the McClellan Committee would certainly have turned up some examples. But this charge, like others against me, tell flat when exposed to the truth. Our Union is not one which encourages or tolerates such wrongdoing. And our members are realistic enough not to judge its leaders by the self-seeking, unscrupulous and baseless attacks which have been used to smear me and, through me, our organization.

I was again falsely charged with participating in an alleged armed assault and kidnapping at the San Francisco Convention. This same plot against me was exposed by the Grand Jury as "framing with intent." I was again vindicated by the irrefutable testimony of the six who made the police complaint. Their vilified and discredited story was repeated before the McClellan Committee to spite the newspaper publicity as part of the malicious campaign of character assassination.

We must face the unpleasant fact that the unfavorable publicity created by the minority faction has badly damaged our Union. No one can deny the price that will be paid in failures in organization and increased problems at the bargaining table. Anti-union interests for their own purposes exploited an internal fight. What happened to us happens whenever members of the same family quarrel before strangers.

As your President, obliged by both the Constitution and my conscience to serve you, I am confident that I will fulfill the 1956 Convention action by which I was charged with the responsibility of leading the Union in its continuing struggle for increased security, improved working and wage conditions, and greater social benefits for our members and their families. Dedicated to this program are fourteen of the nineteen members of the General Executive Board. Most of them sat through the McClellan hearing, heard the testimony and formed their own independent judgment. After personally observing the proceedings, their confidence in me was re-enforced. If each of you could also have been present, you, too, I am sure, would have reached the same opinion.

As Union members, each of you know that our organization and its gains were not built by newspaper publicity, nor by the help of outsiders, nor by enemies in our ranks, but by our inner unity against the threat of those whose interests lies in our destruction.

After more than twenty years of service to our Union, the expressions of confidence from our membership has sustained me against the bitter and vicious and personal attack on my character and reputation. I thank God and all of you, my fellow members, for myself and my family, for your trust and loyalty, your confidence and support and the privilege of serving each and everyone of you.

Internationally yours,


International President

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